

# The NATIONAL UNDERWRITER

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March 18, 1961  
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## Henry R. Roberts New President Of Conn. General Life

**Frazar B. Wilde Becomes  
Chairman; Capital Doubled  
By 100% Stock Dividend**

HARTFORD—Henry R. Roberts, 44, executive vice-president of Connecticut General Life since last March, has been elected president, succeeding Frazar B. Wilde. Mr. Wilde, who has been president 25 years, will continue as chairman of the board and of the finance and mortgage committees.

The stockholders voted to increase the capital from \$12 million to \$24 million, with stockholders to receive an additional share for each share held.

Mr. Roberts, who was born in Canada, majored in mathematics and physics at University of Toronto and on graduation joined Manufacturers Life. After three years in the Royal Canadian Air Force he joined Connecticut General Life's group pension department in 1945, later becoming assistant secretary in the department

(CONTINUED ON PAGE 25)

## Companies Favor 3, Oppose 2 Pending OASDI Amendments

WASHINGTON — American Life Convention, Health Insurance Assn. of America and Life Insurance Assn. of America have jointly informed the House ways and means committee that they favor three and oppose two of the five proposed amendments to the social security act now pending before the committee. The amendments would liberalize the old age provision and disability benefit requirements under the social security system. The associations also presented their views on proposed methods of financing the contemplated changes.

The legislation would increase the minimum old age benefit from \$33 to \$44, reduce the insured status requirement to one out of every four quarters of covered work after 1950 from the present requirement of one out of every three quarters, lower the retirement age for men to age 62, and liberalize the definition of disability for disability benefit purposes.

### Text Of Communication

The associations told the committee: "Proposals to increase the minimum benefit for retired workers, to liberalize the insured status requirement, and to increase the aged widow's benefit are regarded as reasonable and proper if adequate and timely provision for financing is simultaneously enacted. Our interest in maintaining the OASDI system on a sound basis is a matter of record with your committee, and

(CONTINUED ON PAGE 29)

## NALU CHIEF FINDS REPLACEMENT WIDESPREAD

### Wants More Of Premium Tax Used For Departments To Curb Twists

By ROBERT B. MITCHELL

NEW YORK—Policy replacement is so widespread that only in a small percentage of communities is it no problem, President William E. North of National Assn. of Life Underwriters said at a press conference here following his talk at the New York City sales congress. He based his statement in large part on talks with association leaders around the country.

Citing the shockingly small percentages of state premium taxes that are allocated to insurance departments, Mr. North said that a good point of attack on the replacement evil would be to cut down on the share of premium taxes going into the states' general funds and use the money thus made available to enable insurance departments to do a really effective job of curbing twisters.

Another desirable step would be to amend laws so that it is not necessary to have the policyholder as a complaining witness, said Mr. North. Usually it is difficult if not impossible to get the policyholder to cooperate in filing a complaint or appearing as a witness. He may be so naive as not to know he has been conned, or maybe he just doesn't want to get the replacing agent into trouble.

Since departments usually lack adequate staffs to move vigorously against twisters, it is left up to the life underwriters associations, who have to build up their own case, he pointed out. He emphasized that plenty of premium tax money is being collected to permit departments to go after the twisters, so it would not be necessary to raise the tax rate. All that is needed

is to allocate more of the levy to the insurance departments.

In making talks around the country as NALU president, Mr. North has tried to get it across to the local and state units that they should not attempt to do the insurance departments' job but should work through the departments, since they are the law enforcement people. However, he conceded that the discouraging aspect of this is that the departments will seldom do anything about it. Nevertheless, he said, all cases should be brought to the attention of the insurance department.

Mr. North said he feels Pennsylvania, under Commissioner Smith, is doing the best anti-replacement job of any state he is familiar with. Florida is on its toes, and meets with a committee of the state life underwriters association on enforcement problems. Associations can also help, said Mr. North, in trying to get the better types of men into the business as agents. He mentioned that Commissioner Sullivan of Kansas is very much in favor of this effort and has set up a department-field liaison committee.

## Ordinary Sales In Jan. Down 1%; Total Sales Increase 4%

Ordinary sales in January amounted to \$3,505,000,000, a decline of 1%, according to LIAMA, while sales of all types of life insurance for the month reached \$5,074,000,000, an increase of 4%. The ordinary figures included individual policies written on groups of persons—\$28 million in January 1961, and \$38 million in January 1960.

January group sales totaled \$1,066,000,000, up 29%. These figures represent new groups only and do not include additions to group contracts already in force.

Industrial sales in January were \$503 million, a 2% increase.

At the LIAMA conference in Chicago. From left: S. Rains Wallace, LIAMA's director of research who addressed the conference; Norman T. Carson, president Central National Life, and Charles E. Scherer, vice-president and director of agencies Midland Mutual Life, a member of the committee who moderated one of the sessions.

Mr. Scherer is the new chairman of the Agency Management Conference.

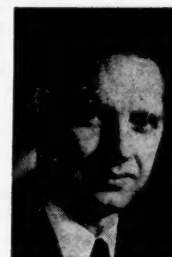
## Many Current Topics Viewed At Chicago LIAMA Spring Meet

### Rogers Scores Lack Of Creativity In The Life Business

There is a lack of creativity in the life insurance business, said Ronald D. Rogers, vice-president and agency director of North American Life of Chicago, at the LIAMA agency management conference in Chicago.

"Most of the innovations in new product design have come in the area of model changes to help sell our product rather than in engineering improvements which would result in a better product with improved quality control," he said.

About 300 persons attended the conference, which was held the first three



Ronald D. Rogers

Charles E. Scherer, vice-president and director of agencies, Midland Mutual Life, was elected chairman of the agency management conference, succeeding Ronald D. Rogers, vice-president and director of agencies North American Life of Chicago.

days of this week at the Edgewater Beach Hotel. The program included a number of individual addresses, a panel discussion on methods of distribution and four workshop sessions. The latter covered health and group insurance, manpower and "the first 50 million."

In his keynote address at the conference, of which he was chairman, Mr. Rogers suggested that one remedy for this problem might be in having one policy developed that would contain two elements, the savings factor and insurance factor, instead of

(CONTINUED ON PAGE 26)



## Dublin And Kulp Are Inducted Into Hall Of Fame

Louis I. Dublin, retired actuary of Metropolitan Life, and C. Arthur Kulp,



C. Arthur Kulp



Louis I. Dublin

late dean of the Wharton School, have been inducted into the Insurance Hall of Fame.

The citations and awards of silver medals presented at the annual insurance conference at Ohio State University brought to 11 the number who have received the award since it was founded in 1957. Officiating at the ceremony were President Arthur I. Vorys and Treasurer Chester O. Sullivan of the Charles W. Griffith memorial foundation for insurance education, and Dean James F. McCoy of the Ohio State college of commerce and administration.

Mr. Dublin's citation, which was read by Murray D. Lincoln, president of Nationwide Mutual, acknowledged the recipient's reputation as an expert on population trends, statistician, authority on public health and welfare, life insurance, and as an author. He was president of American Statistical Assn., American Public Health Assn., and Population Assn. of America. Mr. Dublin, according to the citation, did much to alert the life business to its responsibilities for social welfare and to translate to the public the response of the industry to that obligation.

Carl Fischer, University of Michigan professor of actuarial mathematics and insurance, recited Mr. Kulp's citation, which praised him as a "man of principle rather than expediency . . ." who "gave unstintingly of himself to both the academic world and to a variety of public interests outside the university." Mr. Kulp was cited as author of a definitive text on casualty insurance which stimulated students of insurance to study the underlying principles of the subject. He was also acknowledged as being a guiding force in the development of OASI and influential in workmen's compensation.

## Franklin Sues To Repeal Cal. Retaliatory Tax Law

Franklin Life has brought action to have California's retaliatory tax law declared unconstitutional, charging that the provisions of the law contravene a section of the state constitution and also that out-of-state companies may not be deprived of their principal office tax credits by means of retaliation. The suit also requests return of taxes the company has paid under protest.

The present law has been considered more or less conflicting and ambiguous and the California insurance department has a bill in the legislature which aims to clarify its meaning and how the tax is to be computed—one of the principal matters of conflict.

## Dunaway Examines Caveat Emptor Rule In Replacement Of Policies

Carlyle M. Dunaway, general counsel of NALU, addressed the recent Saratoga Springs managerial conference of New York State Assn. of Life Underwriters, speaking on the rule of caveat emptor in the replacement of life policies. He said categorically that the rule should not apply to such situations. Proceeding to a discussion of whether the rule does, in fact, apply, Mr. Dunaway continued as follows:



C. M. Dunaway

I am personally convinced that the answer must still be "no", although I shall have to admit that the reasoning behind this answer appears to be somewhat less convertible in cases involving disciplinary or penal proceedings brought by insurance supervisory officials against transgressing agents under the typical state "anti-twisting" laws than in civil actions brought by injured policyholders against such agents and/or their companies. Let us first consider the latter type of actions.

In a civil action—for example, for fraud and deceit—brought by a policyholder against an agent and/or his company, the policyholder must of course do more than simply prove that the agent induced him to replace old life insurance with new. He must show that the replacement was brought about as the result of the agent's misrepresentations or misleading or incomplete policy comparisons.

Further, the policyholder must show not only that he relied upon the agent's misrepresentations or policy comparisons but also that such reliance was justified.

There appear to be few, if any, cases involving civil actions brought by policyholders against agents or companies on the ground of fraudu-

lent misrepresentation in the sale of policies in which the replacement of existing insurance was stressed as a significant factor. However, since a showing of misrepresentation on the part of the agent and justifiable reliance thereon by the policyholder is usually essential to the success of any civil action brought by the latter in a replacement situation, I believe that it should be helpful to take a quick look at the area of the law dealing generally with the consequences of misrepresentation by agents in the sale of life insurance.

There are quite a number of cases (CONTINUED ON PAGE 22)

## William Brannon Is Protective (Ala.) V-P And Secretary

William C. Brannon, secretary of Protective Life of Alabama, has been



William J. Rushton



William C. Brannon

elected vice-president and secretary. In other action at a meeting of directors and stockholders, a 25% stock dividend was voted. It was made payable March 10 to stockholders of record Feb. 23, and brings the company's capital to a total of \$5 million on 1 million shares.

Mr. Brannon has been with Protective since 1933. He has been supervisor of policyholders service, assistant secretary and, for the past seven years, secretary.

William J. Rushton, president, reviewed the annual report for stockholders with the aid of color slides, noting that assets at year-end 1960 totaled \$104,683,510, an increase of \$7,011,476. During the year, contingency funds and general surplus increased to \$18,716,864. Benefit payments totaled \$18,746,165. Insurance in force at the close of the year was \$1,143,644,709, an increase of \$53,525,994. Dividends set aside for 1960 amounted to \$221,806.

Some 93% of the stockholders' proxies were represented at the meeting, is made on replacing a policy.

## Suggests Adviser To Aid Man Facing Policy-Swap Choice

Martin E. Kohn of the life department of the Wirkman general insurance agency of Philadelphia writes:

I believe a solution to the promiscuous replacement of insurance may be reached if we attempt to look at the problem from the buyer's point of view.

Mr. Policyholder has, at this point, been approached and probably convinced that he is carrying a grossly inadequate amount of insurance for the premiums he is currently paying. He is further advised that he can probably double his insurance holdings for the same amount of money, and he is presented with lengthy charts and lengthier conversation, which may be convincing as to buying more insurance for less money but which still leave him somewhat confused. He is reluctant to go to his previous insurance agent, but in many cases does consult with his accountant or attorney. The client usually has the would-be replacer present the idea to these professional advisers.

### No Objective Advisers

The misfortune in this whole procedure is that the poor client has no source where he can get a competent, unbiased, objective opinion. A referral of these problems to the previous agent or any of his life companies, we would all admit, will probably still leave the client in a state of utter confusion.

Referring this to his professional advisers, unfortunately, is asking more of the accountant or attorney than he is qualified to pass on. There is one alternative that might be helpful that has never, to my knowledge, been explored, and that is the services of an unbiased actuary. Particularly in the large metropolitan centers, such help should be available.

While this would involve a fair amount of expense, the expense would undoubtedly be minor in comparison with the costly errors that are being made because the client has no place to go for guidance.

It is my thought that a committee comprising a representative of the local bar association, the local CPA chapter and the local life underwriters' association should make an effort to see that actuarial service of this type is made available. Also, this committee should see that the public is informed that such service is available and should be used before a decision is made on replacing a policy.



Julius Y. Dewey, the country doctor who founded National Life of Vermont. The mural was two years in the making and contains 50 separate historical elements.

Deane C. Davis, president of National Life of Vermont, right, and Paul Sample, noted American artist, view large mural portraying the history of Vermont that was painted by Mr. Sample and recently unveiled in the main lobby of the company's new home office building. The mural on horseback painting is Dr.





# ANNUAL STATEMENT of THE **Lincoln** NATIONAL **Life** INSURANCE COMPANY

Fort Wayne, Indiana

Balance Sheet as of December 31, 1960,  
Condensed from the Report Filed With The  
Indiana Insurance Department

## RESOURCES

## LIABILITIES

	1960
Cash in Bank and Office .....	\$ 11,481,908.91
Bonds and Stocks .....	879,768,686.58
Mortgage Loans .....	393,314,351.10
Loans to Policyholders .....	77,579,317.78
Real Estate .....	66,350,459.70
Interest Due and Accrued .....	11,752,584.42
Net Premiums in Course of Collection .....	31,421,081.54
All Other Resources .....	18,886,318.74
<b>TOTAL RESOURCES .....</b>	<b>\$1,490,554,708.77</b>

	1960
Policy Reserves .....	\$1,092,156,022.44
Additional Policyholders' Funds .....	52,777,163.74
Prepaid Premiums and Interest .....	21,679,565.74
Claim Reserve .....	18,102,832.01
Reserve for Taxes Payable in Following Year ....	10,963,190.01
Reserve for Future Revaluation of Policies .....	21,970,000.00
Investment Contingency Reserve .....	53,853,695.14
Miscellaneous Contingency Reserves .....	16,893,500.00
All Other Liabilities .....	8,405,145.49
<b>TOTAL LIABILITIES (except capital) .....</b>	<b>\$1,296,801,114.57</b>
Capital .....	\$ 20,000,000.00
Unassigned Surplus .....	173,753,594.20
<b>SURPLUS TO PROTECT POLICYHOLDERS..</b>	<b>193,753,594.20</b>
<b>TOTAL .....</b>	<b>\$1,490,554,708.77</b>

## PROGRESS HIGHLIGHTS

New insurance issued during 1960 amounted to \$1,706,076,836, a new record for the Company. This was an increase of \$171,396,811 over 1959.

Insurance in force showed a gain during 1960 of \$739,808,905 to a total of \$10,570,172,115.

Resources increased during the year by \$72,536,513 to a total of \$1,490,554,709.

Benefits paid during 1960 were \$153,066,105, an increase of \$9,843,868 over 1959.

Accident and Sickness premiums earned in 1960 were \$51,447,242, an increase of \$8,114,945 over 1959.

The Surplus to protect policyholders increased \$18,312,755 during the year to a total of \$193,753,594.

NOTE: This balance sheet is applicable in all states except New Jersey, Colorado, and Massachusetts. In these three states, by reason of certain statutory requirements, it is subject to slight variations.

## Near 800 Attend New York City Agents 75th Anniversary Year Sales Congress

By WILLIAM MACFARLANE

NEW YORK—A near 800 members and guests of New York City Life Underwriters Assn. crowded into the grand ballroom of the Hotel Astor here to attend the association's 75th anniversary year sales congress.

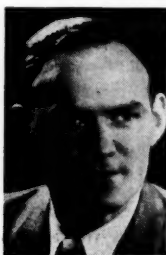


Grant Taggart

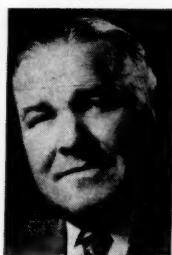
The program, broad as it was tall, was notable for its variety. John A. Utz, Kansas City Life, Valenciana, Pa., and California-Western States Life, Cowley, Wyo., though representing sharp contrasts in style, dealt with the more inspirational aspects of life insurance selling. William Lynch, vice-president of Prudential, and Robert J. McDonald, partner in the New York law firm of Sullivan & Cromwell, stuck more to specific sales problems, relations and attitudes. William E. North, president of NALU, presented the broad industry picture. The final speaker, Arthur Secord, director of community service and professor of speech at Brooklyn College, while lacing his talk with selections from a seemingly vast repertoire of humorous anecdotes, reviewed the complex matter of communications between people generally and salesman and client particularly.

Mr. North, who after noting that more than 118 million people have \$585 billion of life insurance, pointed out that the figure averages out to only slightly more than \$12,500 per American family, or income that would last about 19 months. The individual policyholder owns cash value of about \$1,000, a sum which, if projected to age

65, would represent a supplemental retirement income of about \$6 a month. "And somebody says the market is



William P. Lynch



William E. North

saturated!" Mr. North exclaimed.

Is enough being done, Mr. North asked, to communicate the case for life insurance to the public? His answer implied that in the industry as a whole it is not.

"It is our obligation to educate and re-educate, first ourselves, then the public, to an understanding and appreciation of the economic power and place of life insurance. We must remember the working span of life is about 10,000 days, that earning power is the greatest asset of most people, and that the dependents of those who die too soon sustain a total loss of future earnings.

"Let us talk about the wearing out process as it applies to life value. Let us picture the consequences of living too long, living beyond the time when there is a market for one's time and services. Let us talk about emergency and opportunity cash. Let us picture life insurance as the best property and let us tell the story with conviction.

After a discussion of life insurance and its role in the economic expansion of the country and the education and training of agents, Mr. North tore into the replacement problem. Mr. North's

views on the latter subject are amplified elsewhere in this issue, but in his prepared speech, he said, "Rewriting of new business at the expense of business in force tends to destroy the standards of life insurance practice which have required generations to build. Impairing the future of our industry for the immediate dollar creates a negative public relations situation which may require generations to repair.

"Policyowners are entitled to full value on every life insurance policy they buy. Lapses are unprofitable to them. People are wary of entering into future purchases when the experience of the past operated against their best interest. Lapses are also unprofitable to the companies, often creating a loss which must be offset by policyowners who persist.

"It is time we stopped replacing business if we would safeguard the best interests of the industry," he said.

### Keep To Success

Mr. Lynch, in a speech titled "The Keys to Success," picked as his first key the question of how much effort an agent is willing to spend to gain the sought-after success. And that effort, Mr. Lynch explained, is not just a matter of spending energy, but has to be planned.

In other words, an agent must be able to analyze his markets. As an example, he chose the favorite market of most agents—the young married man. But competition in this market will be getting rougher over the years, he said. The market itself will contract, while at the same time life companies will be hiring more and more agents.

Mr. Lynch suggested that agents look to other markets, especially the heretofore neglected ones like the working women's market and men over 45. For the single woman, retirement income will one day be needed, and the working wife requires coverage both for her family's income in case anything happens to her and for her own retirement. Women have always had some say in how a family spends its discretionary dollars, but working wives have an even bigger voice, and the amount and kind of life insurance a family may buy will often be decided by this new and stronger element in the family's makeup.

As for the over-45 market, Mr. (CONTINUED ON PAGE 25)

### To Honor Schriver At Jewish Appeal Dinner

NEW YORK—Lester O. Schriver, executive vice-president of National Assn. of Life Underwriters, will be the guest of honor at the annual testimonial dinner of the New York City life insurance division of the Joint Defense Appeal of the American Jewish Committee and the anti-defamation league of B'nai B'rith March 28 at the Hotel Commodore here. Mr. Schriver will receive a bronze plaque citing him for his efforts over the decades in behalf of human freedoms.

Also to be honored at the dinner is G. Gustav Steiner, Aetna Life, New York City, who will receive a special award in recognition of his service to the life insurance division of the JDA. He served as division chairman last year.

The JDA national campaign this year is seeking \$6.1 million for use in the two agencies' fight against all racial and religious discrimination. Chairman of the JDA life insurance division here is Murray White, Berkshire Life. Associate chairmen are Jack D. Gartunkel and Henry Schainholtz, both of Mutual Benefit Life.

### SALES TACTICS INVOLVED

## Agent Sues Insured For \$150,000 After Beef To Department

NEW YORK—An agent here has brought a \$150,000 suit for defamation of character against one of his policyholders who wrote a letter of complaint to the New York department. The letter alleged misrepresentation in the sale of 10-year renewable term insurance the agent had sold in connection with the sale of a mutual fund 10-year contractual plan.

The insured, Edward A. D'Amato of suburban New Rochelle, had three Metropolitan Life policies issued in 1958. Last January he asked the company to cancel them but was dissuaded from surrendering by a Metropolitan agent, Arnold Sabit, Mt. Vernon, N.Y. However, the insured's letter to the department did not allege that the Empire State Mutual Life policy sold him by the plaintiff, Robert Dolin, was intended to replace any other insurance, or that anything Mr. Dolin said was intended to induce him to give up other insurance.

Queried by THE NATIONAL UNDERWRITER, Mr. Dolin said he had sold the Empire State coverage to Mr. D'Amato last June and he had not sought to surrender his Metropolitan policies until January. Moreover, he said, it was not indicated on the Empire State application that the new insurance was to replace any existing coverage.

Charles Newman of New York, Mr. D'Amato's lawyer, said the plaintiff's lawyer had made an offer to drop the suit if the defendant would retract his statements, but Mr. Newman said his client would not retract.

However, even if Mr. D'Amato should retract his accusations, the insurance department could still pursue the case and take whatever action might be warranted by the facts, according to the New York City office of the department.

### Ky. Insurer Plans N. Y. A&S Affiliate

NEW YORK—Notice of intention to incorporate in New York has been filed by Charter Indemnity Co. It will have an initial capitalization of \$150,000. It will be licensed for A&S business. The home office will be in New York City.

The company will be a subsidiary of Independence Life & Accident of Louisville.

### Levering Cartwright

## INSURANCE STOCKS

### Life-Fire-Casualty

### Cartwright, Vallean & Co.

Members Midwest Stock Exchange

### Board of Trade Building

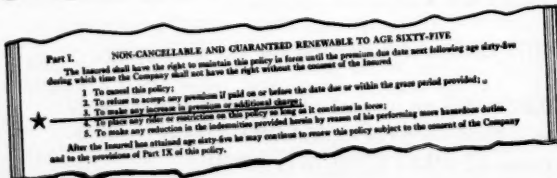
Chicago 4, Illinois

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(On page 1 of every individual loss-of-time policy)



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BOSTON 15, MASSACHUSETTS



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## Insurers' Statements Reflect Good Year

### AMERICAN NATIONAL

American National production in 1960 increased 11.9%, and insurance in force rose 11.3% to \$5,591,603,857. Premium income climbed 8.9% to \$124,391,427, and total premium and investment income amounted to \$161,494,143, up 9.4%. Net rate of interest earned was 4.16% against 4% in 1959. Assets rose \$853,830,933, a gain of 5.7%. Capital and surplus totaled \$119,326,841. Policyholders' benefits of \$48,287,691 were 18.7% greater than in 1959. A&S sales also showed an increase, with premiums up 37.7%.

### CAL-WESTERN STATES LIFE

California-Western States Life reports earnings realized during 1960 (\$4,267,469) were up 17% over the previous year. Life insurance in force as of Dec. 31 stood at \$3,187,500,000. New life sales were up 19% (\$345,750,000). Policyholders and beneficiaries received \$44,025,000 during 1960. Assets rose to \$246,695,000. Capital and surplus funds increased to \$29,835,000.

### EQUITABLE RESERVE ASSN.

An 88% increase brought insurance in force of Equitable Reserve Assn. of Neenah, Wis., to \$62,467,874 at the end of 1960. Assets increased \$339,000 to \$17,947,981. Unassigned surplus and security reserves amounted to \$3,075,942 and dividends paid totaled \$237,675. Policyholder benefits were \$1,077,183.

### FARMERS & BANKERS

New business of Farmers & Bankers of Wichita in 1960 amounted to \$18,585,765, an increase of 19.03%. Insurance in force rose from \$149,825,708 to \$158,979,697. Policyholders' benefits were up 1.08%. Assets rose \$2 million to \$49,746,550, and real estate investments increased 2%.

### GREAT AMERICAN RESERVE

Combined gains of Great American Reserve in life and health lines during 1960 amounted to 13%. Health premiums increased \$576,000 to \$5,401,503. Insurance in force rose \$26 million to \$272,943,348. Policyholders' benefits amounted to \$4,948,431. Assets increased 12.5% to \$21,871,462, and capital and surplus totaled \$4,477,799. Net gain from operations was \$436,354, and the net investment yield before federal income taxes was 4.31%.

### HOME LIFE OF N. Y.

Home Life of New York had record total sales of \$256,321,000, up 4%. Individual life insurance accounted for \$196,347,000, off 4%, while group accounted for \$59,874,000, a 42% increase. Group health sales produced \$1,090,000 on an annualized basis.

Insurance in force reached \$2,240,884,000, up 6%. Individual policies accounted for \$1,797,670,000, group for \$443,214,000. Group health premiums in force totaled \$7,188,000 on an annual basis.

The average size of individual policies issued in 1960 was \$14,017 as against \$13,872, while for policies in force it was \$8,978 as against \$8,718. Home Life has long been an industry leader in average size of new policies and for 18 years has led in average size of policies in force. Policyholders already on the books accounted for 45% of 1960's individual insurance sales.

Assets at the year-end were \$424,275,000, up 6% for a new record. About 44% are in mortgage loans and 45% in securities. Industrial bonds showed the largest increase in the securities portfolio, 15%, and now total \$59,555,-

000. The gross rate on investments made in 1960, before federal income tax, was 5.93% as against 5.57% in 1959 and 5.17% in 1958. The rate for total assets after deducting all investment expenses other than federal income tax, was 4.22%, highest since 1937. The net rate, after tax, was 3.8%.

In spite of a 9% average increase in the dividend scale and a 15% rise in the total dividend apportionment, the company added \$2,802,478, to surplus, a 12.5% increase, bringing total unassigned surplus to \$25,132,929, and surplus and reserves for contingencies to \$31,234,000. Benefit payments were \$34,868,000, about two-thirds of which went to living policyholders.

### INTER-STATE, DES MOINES

Inter-State of Des Moines reports it had a gain of 10.6% in both premium income and assets during 1960. Surplus rose 10.7%. Benefit payments showed a gain of 10.9%.

### MANHATTAN LIFE

Manhattan Life's admitted assets at

the close of 1960 were \$178,635,081, a gain of \$13,137,911. Premium income was \$43,050,724, compared with \$37,499,924 in 1959. Insurance in force increased 11% to \$1,523,846,168.

Total business in 1960 was \$275,310,754, compared with \$266,769,028 in 1959. Ordinary sales were \$169,264,534, as against \$165,050,402.

### MIDWEST LIFE, NEB.

Stockholders of Midwest Life of Lincoln have approved an increase in the capital structure from \$300,000 to \$600,000 and the surplus was fixed at a like amount, thus raising capital and surplus from \$1 million to \$1,200,000. Par value of the stock was reduced from \$100 to \$10 per share, making a total of 60,000 shares outstanding.

Total paid new life insurance production for the year was \$32,171,802, an increase of 11.7%. The company closed the year with \$146,674,836 in force, an increase of 10.4%. The total income of the health department was \$610,052, an increase of 8.3%. Assets amounted to \$20,380,043, an increase of 8%. The investment income ratio for the year was 3.91. Terminations were slightly higher, as were death

claims. Payments to policyholders amounted to over \$1,200,000.

### MUTUAL BENEFIT LIFE

Mutual Benefit Life's assets at year-end 1960 totaled \$1,870,220,000, a gain of almost \$45 million. Unassigned surplus increased more than \$5 million to \$74,574,000. The gross yield on new investments rose from 5.14% to 5.29%. The net rate of earnings on invested assets, before federal income taxes, increased to 4.12%, a gain of 11 basis points. Total investments in mortgages and investment real estate reached \$817 million and the securities portfolio amounted to \$841 million.

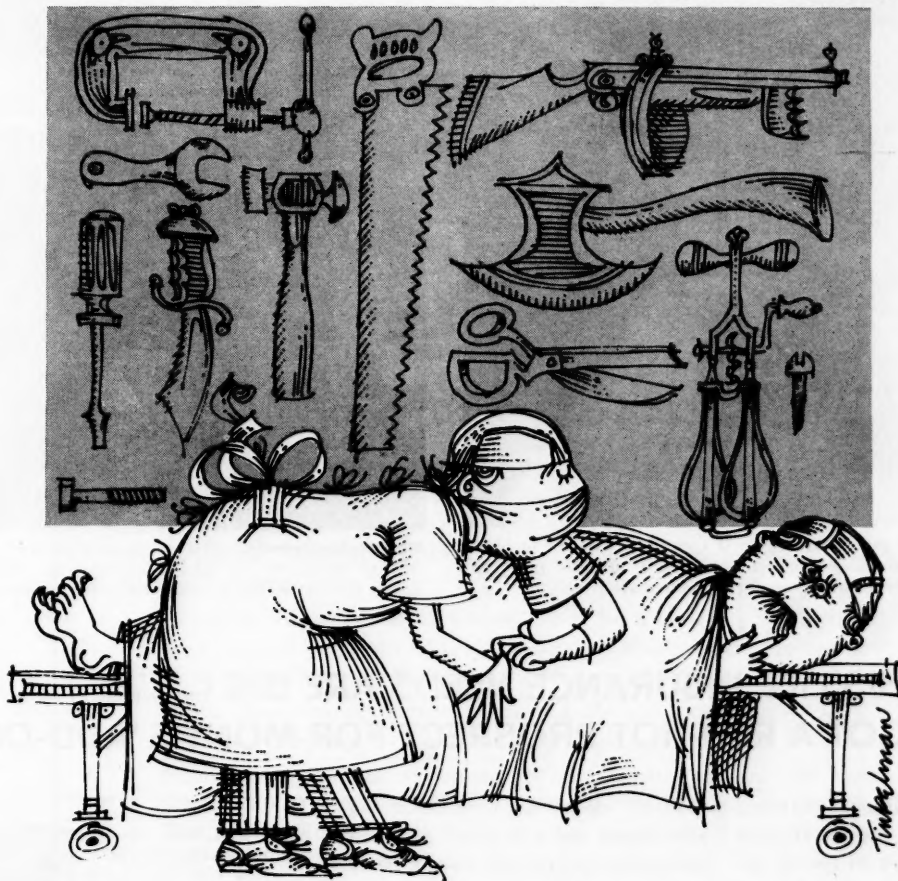
Insurance in force at the end of the year was \$5,594,000,000, of which \$4,976,000,000 was ordinary. Total sales were \$746 million, the second biggest sales year in company history. Ordinary sales amounted to \$530 million.

### NORTH CENTRAL LIFE

Total income of North Central Life in 1960 amounted to \$4,466,000, up 15% and assets rose 20% to \$5,397,000. Gross premiums increased from \$3,631,000 to \$4,179,000, and earnings per

(CONTINUED ON PAGE 31)

You'll enjoy "THE TWENTIETH CENTURY," Sundays, CBS-TV



## The right tools help make the job a lot easier

Little job...big job, there's nothing like having a good selection of tools handy. Whether a Prudential representative works on a small sale or a big sale—he can always depend on Prudential's complete and co-ordinated Advertising & Sales Promotion Program. It offers a good selection of advertising and promotion materials to help make his selling job easier, faster and smoother. Prudential representatives can expect—and get—a variety of hard-working promotion pieces, a continuous coast-to-coast Sunday Newspaper Supplement Campaign, and the added support of Prudential's award-winning TV show—"The Twentieth Century." These "right tools" are always available to help every Prudential representative bring more protection to an ever-increasing number of clients.



TO OVER 35 MILLION PEOPLE — INSURANCE MEANS PRUDENTIAL

## Tells How He Helped Uninsurable Client Make Most Of What He Had

When an agent has a client who proves to be uninsurable, what arrangements can be made to enhance the man's estate as much as possible despite his uninsurability? James J. Walsh, a life insurance broker of Columbus, O., tells how he handled a recent case by combining several well-

known techniques.

By JAMES J. WALSH

Mr. Uninsurable Jones, age 47, applied for \$100,000 of life insurance. He was rejected because of high blood pressure. The company that turned him down has been notably successful

in insuring extra-hazard risks, so I didn't waste time trying to find a company that would accept him.

Mr. Jones owned \$25,000 non-par retirement income at 65. Since he could not buy ordinary life, presumably the company wouldn't let him change the retirement policy to a lower premium form. Certainly he ought not to drop this policy, even though it would have been better if this \$25,000 had been on a lower premium plan, so that more of the dollars now being used to pay premiums on the retirement plan could be used

to increase his estate in some other way.

As it was, he had already deposited \$13,623.50 in premium payments since age 37, and he would deposit nearly \$10,000 more before the cash value would start exceeding the face amount and thereby enhance the estate value.

Investigation showed that Mr. Jones's program could be reorganized to effect these improvements:

1. The amount payable at death could be increased each year by \$1,238.50. This would mean that by age 57 (when for the first time the death benefit under the retirement policy would exceed \$25,000) the death benefit would have increased to \$37,385, and would continue to go up, to a maximum of nearly \$45,000 at age 65.

### Would Get \$262 A Month

2. The amount of monthly guaranteed income starting at age 65 would be \$262 rather than the \$250 that would be provided under the present setup. Of this \$262 total, \$81 would be on a 10 years certain and life thereafter basis. The balance, \$181, would be on a life and cash refund basis.

3. The reorganized program would permit continued deposits beyond the present compulsory maturity date, resulting in even greater income after retirement.

4. The reorganized program created the possibility of electing approximately \$12,000 paid-up life insurance at age 65, along with a monthly life income of \$210. Of this \$210 monthly income, \$181 would be on a life and cash refund basis, the balance being on a straight annuity basis.

This program for Mr. Uninsurable Jones never requires a medical examination, yet for the same premium he has been paying since age 37 he will acquire increasing coverage, increased income with greater guaranteed return, the possibility of partial paid-up insurance along with nearly as much retirement income as formerly provided, and an "open-end" contract allowing even further build-up of income after 65 and until needed.

As a matter of fact, if he stops paying the regular amount of premium at 65, he can increase the monthly income for one year. If he reinvests income only for another year, and starts drawing income at age 67, his monthly income will have been increased to \$297.

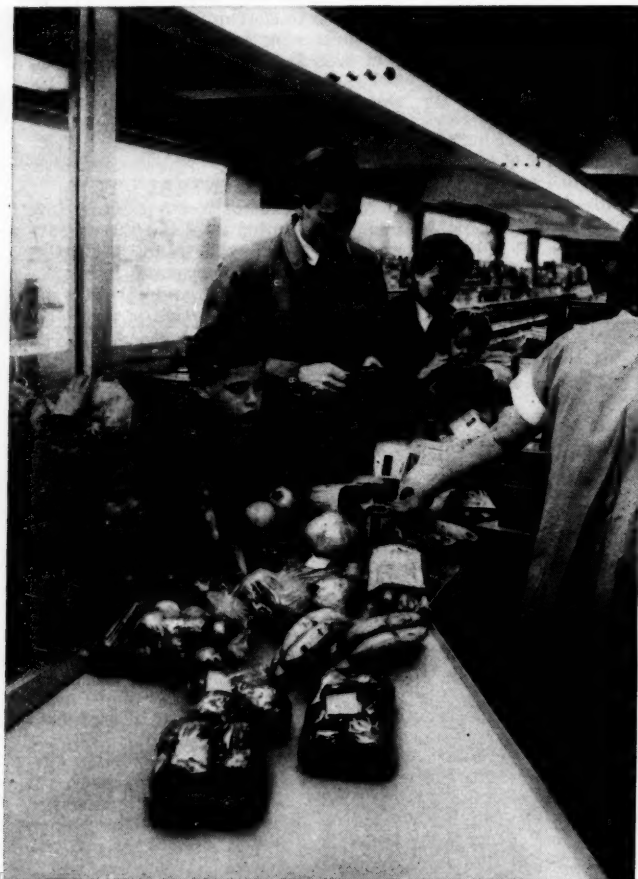
### No Magic Or Witchcraft

All this is not accomplished by magic or witchcraft but by a combination of ideas that, by themselves, are anything but complicated.

The \$25,000 retirement income at age 65 is placed under the extended term option. The 11 years of premium payments already completed provide full coverage to age 65, and then a pure endowment of \$13,150. If this pure endowment is placed under the life income option, 10 years certain and life thereafter, then the income is \$81 monthly, starting at age 65.

The annual premium of \$1,238.50 that Mr. Jones will no longer be paying on the retirement income policy will be used as the annual consideration on an immediate life annuity, cash refund basis. In succeeding years, the income

(CONTINUED ON PAGE 30)



**Big family to feed.** What would happen if something happens to him? His basic MONY Life Insurance policy plus a low-cost 'ADD-ON' rider can help guarantee his family an income until the children are grown.



**Big mortgage.** Could your client's widow pay it off? A MONY Mortgage Protection rider added to the basic policy can help assure him that she'd have a home instead of a debt.



**Big education needs.** Tuition costs are high—and will probably go higher in the future. 'ADD-ON' can help assure money for his children's college education, in case he dies.

## IF HIS LIFE INSURANCE NEEDS ARE BIG (BUT HIS INCOME ISN'T) YOU'VE GOT A RED-HOT PROSPECT FOR MONY'S 'ADD-ON'

Big responsibilities often take so much of a man's current income that he finds it difficult to get all the life insurance protection he needs right now.

MONY's 'ADD-ON' Life Insurance appeals to people like that. Here's how it works: You sell your client a basic MONY policy, one that builds cash value for him. (There's a discount if the face value is \$5,000 or more.) At the same time, you add on low-cost 'ADD-ONS' that can give him the extra protection he needs right now at a price he can afford.

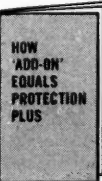
'ADD-ON' decreasing term riders can give 4 and often 5 times as much immediate protection as the basic policy provides.

What's more, in most cases the 'ADD-ON' can be converted into permanent insurance. 'ADD-ON' keeps the door open for repeat sales that build big commissions.

Find out how 'ADD-ON' can give big protection at low cost. Send coupon for free booklet. The Mutual Life Insurance Company Of New York, New York, New York.

MONY, Dept. NU-361  
Broadway at 55th St.  
New York 19, N.Y.

Please send me \_\_\_\_\_  
copies of free booklet showing how  
'ADD-ON' can give  
my clients big protection at low cost.



Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

Brokerage name \_\_\_\_\_

# MUTUAL OF NEW YORK

LIFE, ACCIDENT & SICKNESS, GROUP INSURANCE, PENSION PLANS • SALES AND SERVICE OFFICES THROUGHOUT THE UNITED STATES AND IN CANADA

**RATE BOOK SPECIALISTS**  
DESIGN PREPARATION PRODUCTION PROOF READING SINCE 1920  
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## MASSACHUSETTS MUTUAL

**Man  
of the  
Year**

**JOHN M. RUSSON, CLU**  
The Woods Agency  
Los Angeles



### A DYNAMIC FORCE IN BUSINESS . . .

\$2,600,000 ordinary volume, 100 lives, \$74,000 annual premiums in 1960.

\$1,340,000 in January 1960 led the entire company in that month.

Over \$1,000,000 ordinary production each year since 1947.

Qualifying and Life Member, Million Dollar Round Table.

A Chartered Life Underwriter since 1951.

### A DYNAMIC FORCE IN HIS AGENCY AND HIS COMMUNITY

The Massachusetts Mutual Man of the Year award recognizes not only business achievement, but service to clients, the agency, the company and the life insurance business, as well as outstanding civic and community activity. John M. Russon, C.L.U., a dynamic force in The Woods Agency, Los Angeles, is a leader in all these areas.

Active all his life in the Mormon Church, he is presently serving his 13th year as President of the Los Angeles Stake, after serving for almost seven years as Bishop of the Hollywood Ward.

He is chairman of finance operations for the Los Angeles Area Council of the Boy Scouts of America.

Fund-raising campaigns which he has spearheaded include the proposed Los Angeles Music Center, the Memorial on historic Fort Moore Hill, and the \$6 million Los Angeles Mormon Temple built and dedicated in 1956.

He has always given full support to the local activities of the Life Underwriters Association and the local chapter of the American Society of Chartered Life Underwriters. He has spoken before almost every Life Underwriter Association in Southern California on his methods of self-organization that make it possible to live a life of balanced activity in so many areas.

## MASSACHUSETTS MUTUAL

*Life Insurance Company*

SPRINGFIELD, MASSACHUSETTS • ORGANIZED 1851

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## 20 Life & Casualty Officers In New Posts, 6 Are V-Ps

Life & Casualty has made 19 promotions at the officer level, six of



J. Porter Ellis



George R. Williams

them involving vice-presidential posts, and has elected a new director.

George R. Williams, vice-president and manager of the agency department, has been appointed to a newly-created position, senior vice-president in charge of sales. Robert K. Zelle, vice-president for manpower develop-

ment, succeeds Mr. Williams.

J. L. Gaddy was promoted from district manager at Nashville to vice-president and manager of the central division. Arnold H. Anderson, former chief actuary and administrative assistant to the president, was named vice-president and administrative assistant to the president. Kenneth Ward-Smith, chief actuary, becomes vice-president and chief actuary, and J. Porter Ellis, assistant vice-president in charge of mortgage loans, is vice-president and manager of the mortgage loan division of the investment department.

Allen M. Steele, general counsel, has been elected a director. He joined the company in 1946, and is chairman of the uniform laws committee of American Life Convention.

### New Agency Department Post

In another new agency department position, Sydney Keeble Jr., former district manager at Fort Lauderdale, Fla., has been named director of marketing research.

In the legal department, Barrett Sutton, assistant general counsel, was advanced to associate general counsel,

and Charles H. Anderson, attorney, succeeds Mr. Sutton.

Mathematician John L. Worley Jr., actuarial department, was promoted to assistant actuary, and Senior Underwriter Clark Hutton Jr., ordinary underwriting department, moves up to assistant manager of the department.

In the investment department, E. R.



J. L. Gaddy



Arnold H. Anderson

Dismukes, assistant vice-president in charge of real estate, was named assistant vice-president and manager of the real estate division; J. R. King, supervisor residential loans, was appointed assistant manager of the mortgage loan division; R. J. Dora, mortgage loan supervisor, becomes assistant manager, mortgage loan division, and



Robert K. Zelle



Kenneth Ward-Smith

H. F. Smith, superintendent of buildings, is named assistant manager, real estate division.

Electronics department promotions include C. D. Boston, chief engineer, to chief administrative engineer; Paul Lawson, engineer, to chief engineer, and W. J. Otto, who formerly had no title, to input control supervisor.

Ralph Cunningham of the treasurer's department was named auditor for mortgage loans.

### President, V-P Named By Puritan Of R. I.

Frank O. H. Williams has been elected president and James B. Ross vice-president of Puritan Life of Providence, which is owned by Connecticut General Life, of which Mr. Williams is senior vice-president and a director. He will continue to have his office at Connecticut General. He succeeds Thomas M. Bruce Jr., who resigned several months ago.

Mr. Ross will resign as secretary of Connecticut General's reinsurance department to assume administrative duties at Puritan's home office.

Mr. Williams joined Connecticut General in 1934 as New Haven manager, became manager at Hartford in 1936 and vice-president in 1958.

Mr. Ross started with Connecticut General in 1951, going into the group actuarial operation. He is a fellow of Society of Actuaries.

### Hack, Lewis To IAHU Board

Morris B. Hack, Continental Assurance, Baltimore, and L. J. Lewis, Bankers L. & C., Rockford, Ill., have been named to the board of International Assn. of Health Underwriters. Mr. Hack fills the unexpired term of Vito Marino, Metropolitan Life, as zone chairman for Maryland, and Mr. Lewis

## Ky. Central L.&A. Tenders Offer For Home Owners' Life

Kentucky Central L.&A. tendered an offer to buy controlling interest in five-year old Home Owners' Life of Ft. Lauderdale, Fla. The latter has \$120 million of life in force in three states.

Terms of the proposal call for a voluntary exchange of stock in which Home Owners' stockholders would receive one share of Kentucky Central stock for each 2½ shares of Home Owners' stock. The offer is contingent on 80% of the Florida company's stock being tendered.

Garvice D. Kincaid, president Kentucky Central, stated the Home Owners' proposal was unanimously accepted by its directors last week and must now be approved by regulatory authorities. Following registration of the transaction with the SEC, holders of Home Owners' stock will have 60 days in which to offer their stock for exchange.

Home Owners' reported assets of almost \$2.5 million as of the close of 1960, with operations in Florida, Illinois and Louisiana. It writes principally life and some A&S coverage, and last year had premium income of approximately \$2 million. The company would be operated as a subsidiary of Kentucky Central.

Kentucky Central last month announced purchase of the Skyland Division of Guaranty Savings Life of Montgomery for \$1.8 million, subject to approval of Guaranty stockholders and state insurance departments. Another acquisition—purchase of controlling interest of the Domestic L.&A. of Louisville—is scheduled to be consummated at a meeting of the stockholders of the two companies on March 22. In the less than two years since Mr. Kincaid has been chief executive of 59-year-old Kentucky Central, three other companies have been acquired—Cardinal Life of Louisville, Muscle Shoals Life of Alabama, and Life Ins. Co. of the South, Charlotte. Kentucky Central is currently writing in 11 states, and when proposed mergers are completed will be operating in 16.

## Stocks

By H. W. Cornelius of Bacon, Whipple & Co.  
135 S. LaSalle St., Chicago, March 14, 1961

	Bid	Ask
Aetna Life .....	104	106
American General .....	40½	42½
Beneficial Standard .....	20	21½
Cal.-Western States .....	63	65
Commonwealth Life .....	25½	26½
Connecticut General .....	423	433
Continental Assurance .....	234	240
Franklin Life .....	96½	98½
Great Southern Life .....	77	81
Gulf Life .....	22	23
Jefferson Standard .....	52½	54½
Liberty National Life .....	68	71
Life & Casualty .....	19	20
Life of Virginia .....	68	71
Lincoln National Life .....	109	112
National L. & A. .....	123	126
North American, Ill. ....	14½	15½
Ohio State Life .....	28½	31½
Old Line Life .....	62	66
Old Republic Life .....	20½	22
Republic National Life .....	41½	43
Southland Life .....	95	99
Southwestern Life .....	61½	66
Travelers .....	115	117
United, Ill. ....	42½	44½
U. S. Life .....	66	68
Washington National .....	51	53
Wisconsin National Life .....	33	35

becomes Illinois zone chairman filling the unexpired term of Ernest E. Cragg, Washington National.

## to the life insurance man who feels he is qualified for agency management...

If you're "stymied" on management opportunities with your present company, this should interest you.

Our company has doubled in size in 40 months. We have dozens of areas throughout the West "flagged" for agency development. As a result, we are in need of management caliber men.

To attract the type of people we want, we have established what we feel is the industry's most comprehensive management development program. If intensive testing is favorable, a candidate is immediately made an Assistant Manager. He receives intensive training and field experience in management functions. He then serves 3 to 6 months as a home office staff executive in our Agency Department, handling special management assignments throughout our territory. Upon completion of this period of indoctrination, he is immediately available for appointment as Agency Manager.

Our requirements are high, but don't necessarily include management experience. Successful candidates receive a liberal salary plus commissions and overrides.

If you are interested in discussing this management opportunity with us, let us hear from you.

### WRITE:

**LYNN TENNEY, Vice President & Manager  
of Agencies, California-Western States  
Life Insurance Company, P. O. Box 959,  
Sacramento, California**

## AMA 38 S Use

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**A.A. For Life**

**AMA Survey Shows 38 States Move To Use Kerr-Mills Law**

Thirty-seven states and two U.S. possessions already have acted affirmatively toward implementing the Kerr-Mills medical aid for the aged law and 11 other states have the program under study, according to a survey by American Medical Assn.

"The voluntary medical care plan became law only five months ago, but is being acted upon as rapidly as any grant-in-aid program in the nation's history," said Dr. E. Vincent Askey, AMA president.

**Adopted By Eight States**

"This is evidence that the law offers a sensible, workable solution to solving the health care needs of our older citizens," he said.

The state-by-state survey made by AMA's field service division shows that Kerr-Mills programs have been adopted in eight states and two possessions—Indiana, Kentucky, Massachusetts, Michigan, Oklahoma, Tennessee, Washington, West Virginia, Puerto Rico and Virgin Islands. State legislation was not needed to put the law into effect in Oklahoma.

New Mexico and Maryland have state plans awaiting approval by the U.S. Department of Health, Education & Welfare. Mississippi's plan is nearing completion for submission to HEW.

South Dakota has appropriated funds to initiate medical care benefits under old age assistance and the District of Columbia has requested congressional action to authorize development of a program.

AMA said implementation legislation has been introduced in 22 states—Arkansas, California, Connecticut, Georgia (passed both houses of the legislature), Idaho (passed one house), Illinois, Iowa, Kansas, Maine, Minnesota, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota (passed one house), Ohio, Oregon, South Carolina, Texas, Utah and Wisconsin.

**Three Drafting Legislation**

Three states—Alabama, Florida and Pennsylvania—are drafting legislation.

The program is under study in 11 other states—Arizona, Alaska, Colorado, Delaware, Hawaii, Louisiana, Rhode Island, Vermont, Virginia, Wyoming and New Hampshire. The initial program already has been budgeted in New Hampshire in anticipation of legislative action.

Dr. Askey said the Kerr-Mills law "when properly implemented by all the states, will do far more for deserving elderly citizens at far less cost than the administration's proposal to tie hospital and nursing home services to the social security system."

**Home Security Life Elects Watts Hill Jr. President**

Watts Hill Jr. has been elected president of Home Security Life of Durham, N.C., succeeding Bascom Baynes, who retired after 21 years as the company's chief executive.

Mr. Hill has been executive vice-president since last July, a member of the company's finance and management committees since 1951 and a director since 1954. He was a vice-president of Durham Bank & Trust Co. before joining Home Security in 1958 as assistant to the president.

Mr. Baynes will continue as a director.

**Figures From Companies' 1960 Year-End Statements**

	Total Assets	Increase in Assets	Surplus to Policyholders	New Bus. 1960	Ins. in Force Dec. 31, 1960	Increase in Ins. in Force	Prem. Income 1960	Benefits Paid 1960
Acacia Mutual Life	407,045,828	15,524,469	19,309,397	213,505,290	1,876,342,937	92,565,720	41,801,651	28,558,599
American United Life	167,607,277	6,560,553	15,567,595	428,122,556	1,578,592,094	230,205,177	23,746,110	19,238,707
Atlantic Life	111,559,103	5,572,343	12,370,949	131,711,485	534,710,974	45,725,452	16,031,182	7,948,618
Baltimore Life	77,190,271	4,571,966	3,712,094	96,590,621	447,579,443	25,304,615	12,662,627	5,233,563
Bankers Security Life	6,879,661	843,099	742,620	365,088,897	410,057,539	—5,313,399	3,947,786	1,963,363
Boston Mutual Life	69,559,302	2,926,909	5,124,478	95,082,787	537,401,364	53,376,511	12,206,089	6,060,121
Canada Life	712,274,697	42,463,293	47,673,781	683,728,535	4,129,778,745	437,066,044	88,164,650	56,918,511
Colonial Life	94,499,852	6,053,461	5,054,052	120,719,444	609,939,179	73,140,269	15,558,098	5,704,225
Equitable Life of D.C.	124,741,199	6,551,020	15,900,758	75,218,570	513,988,034	25,894,347	14,664,992	6,285,952
Fidelity Mutual Life	375,481,411	15,000,017	17,520,243	133,639,241	1,316,873,067	76,221,053	34,043,747	24,118,851
Gulf Life, Fla.	206,607,435	16,367,093	17,155,114	243,080,703	1,365,751,004	107,455,534	41,866,921	19,296,537
Knights Life	152,947,924	10,599,812	13,605,171	175,708,935	823,011,246	71,532,572	23,117,574	7,963,871
Life & Casualty, Tenn.	311,732,528	16,801,084	42,452,419	363,088,233	1,920,885,605	121,533,424	50,403,665	18,768,042
Manufacturers Life, Canada	965,478,891	76,273,950	68,558,622	628,295,705	3,544,563,216	362,964,786	119,776,351	62,226,368
Massachusetts Savings Life	163,431,071	8,254,674	18,539,763	61,279,195	738,479,334	50,591,180	16,078,411	11,593,288
Monarch Life	107,973,688	10,619,889	19,205,000	121,205,415	611,836,072	65,963,301	39,110,697	17,715,793
Mutual Benefit Life	1,870,220,376	44,740,447	74,574,080	754,972,625	5,594,819,863	591,599,260	164,853,002	141,884,924
National Old Line	55,757,927	6,919,507	11,363,964	82,579,941	550,030,422	28,324,026	11,337,020	3,074,677
Northern Life of Seattle	105,190,439	4,004,060	15,418,742	44,417,571	361,513,992	15,332,643	11,778,218	7,135,814
Penn Mutual Life	1,815,885,003	50,634,509	102,480,509	732,401,725	5,249,482,643	303,286,265	126,345,168	109,918,532
Philadelphia Life	68,855,375	6,116,770	7,572,467	115,102,259	539,055,187	60,123,572	10,432,319	4,202,806
Protective Life, Alabama	104,683,510	7,011,476	14,301,123	100,739,307	1,143,644,709	53,525,994	26,814,430	18,837,866
Security Benefit Life	64,410,350	5,312,250	7,099,077	103,112,168	443,269,254	55,656,885	12,394,001	5,623,037
Security Life & Accident	53,604,459	3,230,702	5,390,194	109,867,630	716,322,481	58,128,643	12,322,996	6,824,832
State Capital Life, N.C.	28,339,158	2,293,403	4,983,063	265,590,654	410,747,010	41,624,456	16,370,889	5,924,496
State Life, Indiana	91,080,175	890,388	4,343,846	73,491,909	344,022,657	31,939,413	7,756,618	6,662,103
Teachers Ins. & Annuity Assn.	704,139,741	63,869,368	25,389,969	108,751,040	496,070,510	57,632,366	62,131,936	22,618,772
Travelers Insurance Co.	3,316,360,298	122,796,007	410,309,981	2,427,680,366	28,961,412,902	1,789,045,371	313,625,293	292,274,662

\*Figures as of Oct. 31, 1960  
New business excludes revivals and increases except as follows: \*\$124,329,565; \*\$63,504,817; \*\$8,914,553; \*\$3,216,160; \*\$2,851,390

**WC Bills In Mich.**

LANSING—The usual rash of bills to broaden workmen's compensation coverage in Michigan are not given too much chance of passage. The most

radical would establish a compulsory state fund, while others call for removal of the present maximum on silicosis disability benefits; removal of the benefit ceiling generally with a new level at two-thirds average weekly wage plus \$5 for each dependent; extension of benefits to all medical, surgical, hospital costs; extension of benefits to heirs after a claimant's death.



**This shield is the emblem of security for the owners of more than 8,000,000 National Life policies now in force.**

ple & Co.  
14, 1961  
Bid Asked  
\$ 8  
104 106  
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## Home Office Changes

### Volunteer State Life

Harold E. Ruck, actuary, has been elected vice-president and will also retain his present title. He is an associate of Society of Actuaries.

McClellan Cook, who is in charge of the electronic computer operation, has been elected assistant vice-president.

Walter L. Pickering Jr., pension an-

alyst in the agency department, has been elected assistant secretary and office manager, to succeed John B. Gay who has been appointed manager at the credit insurance office in Los Angeles.

Jack B. Dunlap, a member of the actuarial department, has been promoted to succeed Mr. Pickering.

### Guaranty Savings

Conrad Anderson, director of agencies, has been promoted to vice-president in charge of agencies. Roy F. Ussery has been elected to the board to fill the vacancy created by the death of his father and founder of the company, Lee Roy Ussery.

### Equitable Of Iowa

Thomas A. Blood, assistant superintendent of city loans, has been named superintendent, succeeding the late John M. McGill.

### Life Of Virginia

Francis S. Carlton has been appointed assistant vice-president. He was formerly agency director for Atlantic Life.

John P. Nesbit has been named di-



Francis S. Carlton



John P. Nesbit

rector of sales promotion, ordinary agency division. Previously he was director of sales promotion and public relations for Atlantic Life.

Stanley D. Smith Jr. has been appointed ordinary agency director. He



Garnett B. Winfrey



Stanley D. Smith Jr.

had been assistant agency director at Richmond, W. Va., of Atlantic Life.

Garnett B. Winfrey has been appointed field training assistant, the same position he formerly held with Atlantic Life.

Samuel S. Jackson, president Virginia Trust Co., Richmond, and Lewis G. Chewning, president of Virginia Folding Box Co., Richmond, have been named directors.

### National Fidelity

Harold S. Hook has been promoted from administrative vice-president to executive vice-president, and Eugene P. Zachman, group manager, becomes



Eugene S. Zachman



Harold S. Hook

secretary and a director. He has been assistant secretary. James V. Houlihan, manager of A&H benefits, and Kenneth D. Miller, chief underwriter, become assistant secretaries.

### St. Lawrence Life

Harvey Cooper has been appointed resident vice-president for Colorado and will establish headquarters in Denver.

### Lutheran Brotherhood

John W. F. Lienemann, superintendent of agencies, has been advanced to director of agencies, succeeding the late Harold C. Hoel. D. E. Lommen assumes the newly created position of assistant director of agencies. He has



JOHN F. MUNCH, CHIEF LIFE UNDERWRITER, SEMINAR DIRECTOR, AMERICAN UNITED LIFE INSURANCE COMPANY, PRESIDING

## Taking the "risk" out of Risk Selection

This is American United's Risk Selection Seminar. It is for American United Reinsurance clients including officers and home office underwriters.

With more than 50 years of experience in Reinsurance and substandard underwriting, American United has mastered the technical intricacies of the field. This background of experience and know-how provides the variety of aids and counsel for our Reinsurance partners.

During the semi-annual Seminars, there are opportunities to explore new ideas, to examine tried and tested routines, to find better ways for client company agents to enter the competitive market with the ability to write any application they are authorized to solicit.

In short, American United helps Reinsurance clients help themselves through seminars as well as through personal consultation. The results are more business, better business, better profits. This is the 'Partnership Philosophy' in spirit and action... the way you'll find it here!

Find out why more and more companies in the East, West, North and South... as well as in Hawaii and Alaska... are placing their Reinsurance business with American United. Call or write H. Hartzell Perry, Vice President, Reinsurance, American United Life Insurance Company, Indianapolis 6, Indiana, WAInut 3-7201.



AMERICAN UNITED LIFE INSURANCE COMPANY • HOME OFFICE: INDIANAPOLIS, INDIANA

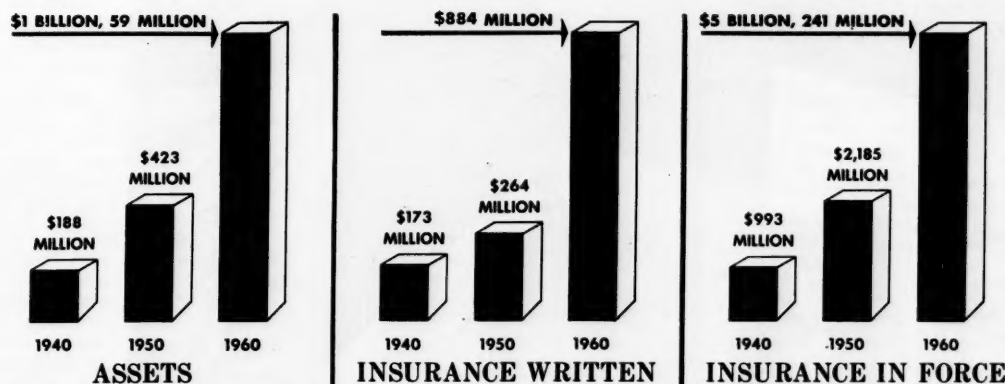
ALL ORDINARY LIFE FORMS • FLEXIBLE OPTIONS • LOW NET COST SPECIALS • BUSINESS LIFE INSURANCE • KEY MAN • PARTNERSHIP • ANNUITIES • UNIQUE JUVENILE • GROUP LIFE • GROUP CREDIT INSURANCE • GROUP MORTGAGE INSURANCE • GROUP RETIREMENT • PENSION TRUSTS • NON-CANCELABLE DISABILITY INCOME • GUARANTEED RENEWABLE MAJOR MEDICAL • GUARANTEED RENEWABLE HOSPITAL & SURGICAL • SPECIALISTS IN SUBSTANDARD UNDERWRITING AND REINSURANCE





## WESTERN and SOUTHERN LIFE

### A REPORT OF DYNAMIC GROWTH



The record above speaks for us and we proudly acclaim our progress. This growth means over six million policyholders pleased with the protection they own. It means a sales force well-trained and responsive to the needs of the millions of men and women they serve.

These factors have brought national leadership to The Western and Southern Life Insurance Company.

Each year in greater numbers people guarantee their financial future with our policies. At the end of every year our protection embraces more people insured for more money. Each year our resources increase at an ever rising rate.

The Company's growth has necessitated expansion of Home Office and Field Agency facilities throughout the nation. During 1960 a new seven story building was added to our Home Office, marking the second major improvement in three years. A newly erected office building was opened as Western Regional headquarters at 2600 Wilshire Boulevard in Los Angeles. There are now six regional offices.

Sound principles of management and faithful and competent service will continue to be our foremost objective.

WILLIAM C. SAFFORD President

## 73rd ANNUAL STATEMENT — December 31, 1960

### ASSETS

Cash on Hand and in Banks.....	\$ 21,937,383.98
United States Government Bonds.....	114,423,971.30
Municipal and Corporation Bonds.....	211,301,836.70
Stocks.....	5,801,951.52
Mortgage Loans.....	593,801,783.78
Real Estate:	
Home Office and Regional Office Properties.....	19,541,798.97
Investment.....	11,622,086.35
Policy Loans.....	33,154,455.85
Accrued Interest and Rents.....	5,884,933.46
Net Due and Deferred Premiums, etc.....	41,707,651.80
<b>TOTAL.....</b>	<b>\$1,059,177,853.71</b>

### LIABILITIES

Statutory Policy Reserves.....	\$941,375,130.00
Policy Proceeds and Dividends Left with Company.....	16,556,093.00
Dividends to Policyholders Payable in 1961.....	5,344,282.00*
Policy Benefits Currently Outstanding.....	2,703,000.40
Premiums and Interest Paid in Advance.....	4,867,273.91
Accrued Taxes Payable in 1961.....	4,395,301.68
Amounts Held in Trust.....	4,985,781.50
Other Liabilities.....	1,550,895.72
Security Valuation Reserve.....	3,253,400.99
<b>SURPLUS.....</b>	<b>74,146,694.51</b>
<b>TOTAL.....</b>	<b>\$1,059,177,853.71</b>

\*Additional Dividends of \$5,821,094.00 applied Dec. 31, 1960 to purchase Paid-Up Insurance

**ASSETS . . . \$1,059,177,853 • INSURANCE IN FORCE . . . \$5,241,276,317**

## THE WESTERN and SOUTHERN LIFE INSURANCE COMPANY

A Mutual Company • Home Office, Cincinnati, Ohio

REGIONAL OFFICES:

Philadelphia, Pa. • Jacksonville, Fla. • Asheville, N. C. • St. Louis, Mo. • Houston, Texas • Los Angeles, Calif.

been assistant vice-president and educational director.

### General American

Walter V. Dunne has been appointed director of group insurance marketing. He has been 2nd vice-president of Old Republic Life.

### Northeastern Life

J. Raymond McGovern and Wyllys S. Newcomb have been elected directors. Mr. McGovern, partner in the New York law firm of McGovern, Vincent & Connelly, was formerly

New York State comptroller. Mr. Newcomb, a partner in the New York law firm of Royall, Koegel & Rogers, is a former special assistant attorney general, both in New York and for the United States.

### Provident Mutual Life

Alan W. Hobensack, home office cashier, has been elected an officer with the title of premium payments manager.

### Union Central

Dr. William D. Hickerson, medical

director, has retired after 15 years with the company. He was superintendent of Dunham Hospital, Cincinnati, before joining the company as assistant medical director in 1946.

**CONSUMERS NATIONAL** of Evansville, Ind., has appointed John T. Almon director of estate planning and business insurance.

**PIEDMONT SOUTHERN LIFE** has appointed Jack F. Estes superintendent of agencies. He was formerly assistant general agent at Atlanta of Aetna Life. He is a CLU. Harold L. Sutton Jr., in

charge of training, has been appointed superintendent of agencies and director of training. He, too, is a CLU.

**STANDARD SECURITY LIFE** has appointed Victor G. A. Hendry senior life underwriter, the same post he formerly held with Eastern Life. Before that he was an underwriter for Prudential. He entered the business as an underwriter for State Mutual Life.

**AMERICAN EDUCATIONAL LIFE** of Nashville has advanced Frank O. Acton Jr. from assistant vice-president and agency director to vice-president, director and member of the executive committee.

**LIFE OF KENTUCKY** has promoted Owen Billington to vice-president. He has been regional general agent at Murray, Ky.

**AMERICAN COMMUNITY MUTUAL** of Plymouth, Mich., has appointed John R. Herb secretary and treasurer and William G. Pfaff assistant secretary and assistant treasurer.

**FIRST COLONY LIFE** has elected Michael J. McConnon vice-president and treasurer. He has been a vice-president of O'Toole Associates, management consultants to insurance companies, in Queens Village, N. Y., and before that was on the president's staff of Equitable Society.

**LINCOLN LIBERTY** of Houston has appointed Charles V. Eikenberg administrative assistant in the agency department.

**SAN FRANCISCO LIFE**—Mits Kadoyama, general manager, has been named a director.

**NORTHERN LIFE** of Seattle has named S. E. Snyder, vice-president, a trustee.

## Pa. Attorney General Rules Variable Annuity Subject To Two-Agency Regulation

Insurance companies offering variable annuities are subject to both Pennsylvania insurance laws and security registration requirements, Attorney General Anne X. Alpern has ruled.

The question was raised by an application of Variable Annuity Life to sell its variable annuities in the state.

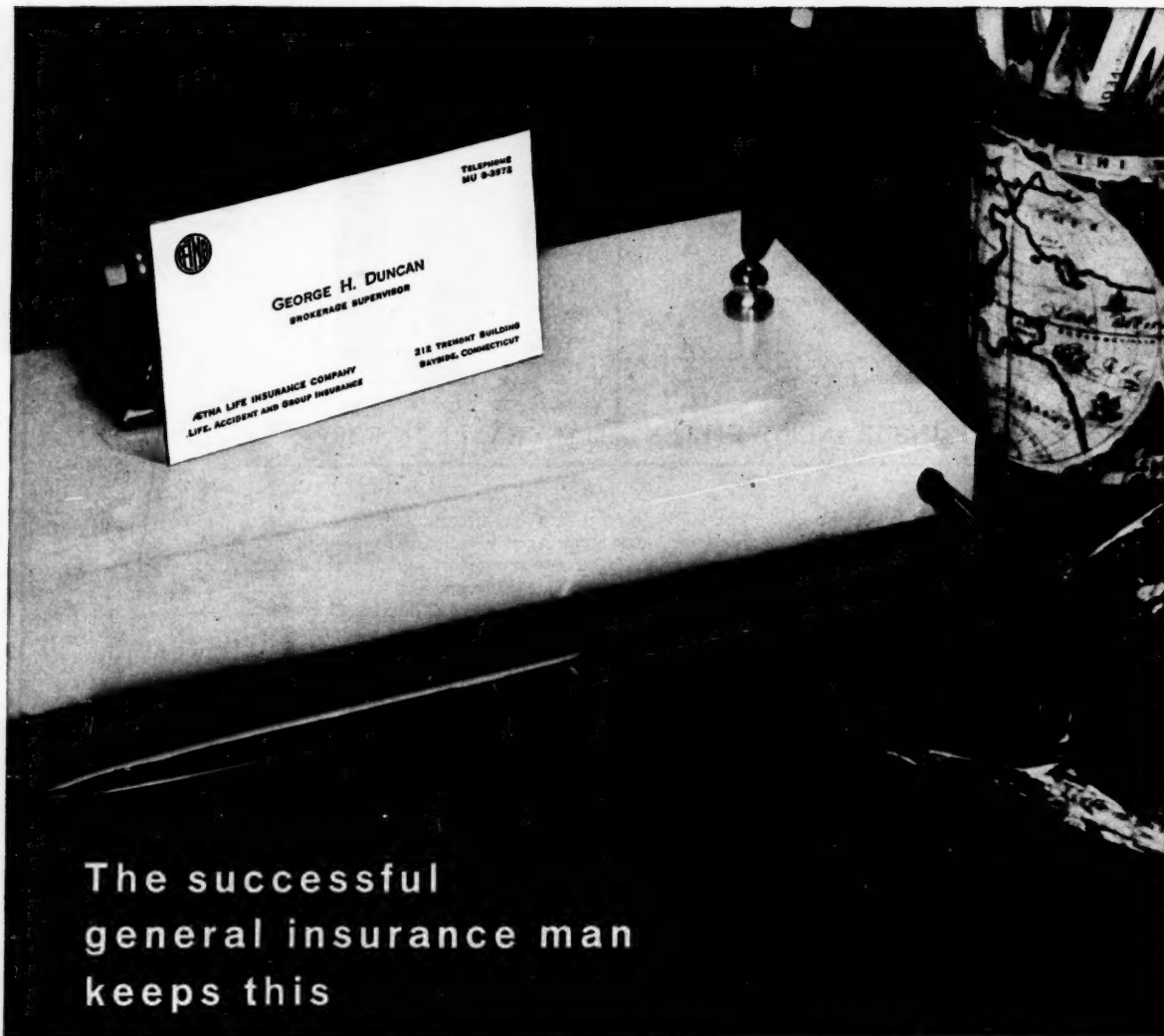
Attorney General Alpern noted that the opinion in itself does not give the company authority to sell stock or variable annuity contracts in the commonwealth without compliance with insurance and security laws and regulations.

## New York Approves Rate Boosts For Albany Blues

The New York department has approved rate increases for certain contracts of both Associated Hospital Service of Capital District (Albany area Blue Cross) and of Northeastern New York Medical Service (Blue Shield). Blue Cross standard subscriber contract rates were boosted an average of 28.35%, effective June 1. Rates on Blue Shield's community-rated contracts were increased 43.67%, also effective June 1.

**Ill. A&S Men Slate Sales Congress**  
Illinois Assn. of Health Underwriters will hold its annual sales congress at the Fox Valley Country Club in North Aurora, April 29.

**American Educational Life** of Nashville has sold \$5,554,000 since being licensed last August, and has in force \$4,131,274.



The successful  
general insurance man  
keeps this

## TRUMP CARD on his desk

**INCREASED COMMISSIONS** can be yours. Let the Business Planning Department of your local Aetna Life General Agency help you. Right in your own files are many good prospects for *high-commission* Business Life Insurance Plans. At no added cost, you can have an Aetna Life expert work in your behalf . . . to help you give your clients more complete service.

Check your files for the larger accounts. Put Aetna Life's advanced underwriting services to work. Enjoy the new business and extra commissions they offer.



**AETNA LIFE**  
INSURANCE COMPANY

Affiliates: Aetna Casualty and Surety Company • Standard Fire Insurance Company • Hartford 15, Connecticut



# Changes In The Field

## New England Life



William R. Wagner

William R. Wagner, co-general agent at Harrisburg with his father, William B. Wagner, has been appointed general agent at Buffalo, to succeed Wayne Bauml, manager, who has been transferred to Omaha. William R. Wagner joined the company at Philadelphia and has been supervisor at Harrisburg, assistant supervisor of agencies at the home office, and manager at Rochester, N.Y. He is a CLU.



John Phillips III



Wayne Bauml

William B. Wagner will continue as sole general agent at Harrisburg. Mr. Bauml is secretary of Buffalo Life Underwriters Assn.

John Phillips III, manager at Memphis, has been promoted to general agent there. He is a CLU and qualifying member of Million Dollar Round Table.

## Guarantee Mutual

Earl J. Knutson Sr., general agent at Portland and Salem, Ore., has retired after 18 years with the company. His agency has \$28,118,000 of insurance in force and is the company's largest. It will be divided into two general agencies—one at Portland under his son, Earl Jr., and another at Salem headed by Warren W. Cooley.

## Northwestern National

Charles T. McCreight, field supervisor at the Des Moines divisional office, has been appointed district manager at Colorado Springs.

## Occidental Of California

Richard Schneider has been appointed assistant manager at San Diego. He has been with Jefferson Standard.

Norman O. Pearson has rejoined the company as brokerage manager at Torrance, Cal. He has been with Ohio

## Almost All Speakers Listed For N.C. A&S Agents Meet

The program is almost completed for North Carolina Health Underwriters Assn.'s spring sales congress at the Barringer Hotel, Charlotte, May 19-20. Speakers will include Commissioner Gold; Charles R. Strader, manager of Travelers at New York; James B. Rowe, general agent of John Hancock at Charlotte, and C. N. Walker, vice-president and manager of the A&S department of Lincoln National.

The luncheon speaker will be announced later.

State Life and has had previous experience with Occidental in group sales.

## Lincoln National



Paul G. Mills

New general agent at Nashville is Paul G. Mills. He has been supervisor of the King agency at Charlotte, N.C., and is vice-president of Charlotte Assn. of Health Underwriters.

## American Life Of New York

Thomas D. Bellinger, life superintendent at the Metropolitan branch in New York, has been named manager there. He has been life superintendent at Syracuse and in the agency and production department at the home office.

## Connecticut General

William E. Nitzsche, who has been at the Chicago branch office since 1957, has been appointed senior brokerage consultant there.

Appointed brokerage consultants are William J. Burke and William J. McCoy Jr., both at New York, Albert L. Pick, Atlanta, and William J. Schomers, Buffalo.

## Lincoln National

New supervisors are Joseph A. Fleckenstein at the Shackleton agency, Milwaukee, and Edward R. Sabala at the Gehring agency, Cleveland. They were agents.

## General American

Frank Thompson and James F. Temple, regional group managers at Pittsburgh and Dallas, have been promoted to directors of sales. Mr. Thompson will work out of St. Louis, and Mr. Temple will remain at Dallas.

## Provident Mutual Life

Ernest H. Perkins, general agent at Albany, has been named general agent emeritus, and Lewis Takas, supervisor at Allentown, Pa., has been appointed manager at Albany. Mr. Perkins is a past president of Albany Life Under-



Lewis Takas



Peter L. Sprecher Jr.

writers Assn., Eastern New York CLU chapter, New York State Assn. of Life Underwriters, and Life Insurance Trust Council for Eastern New York. He has also been vice-chairman of the NALU membership committee and regional vice-president of American Society of CLU.

Clarence A. Post, general agent at Milwaukee, has been appointed associate general agent there. He is a past

president of Milwaukee Life Underwriters Assn. and Milwaukee General Agents Assn.

Peter L. Sprecher Jr., manager at Madison, Wis., has been appointed manager of a new agency formed by combining the Madison and Milwaukee agencies, with its main office in Madison.

## United States Life



F. D. Rothenberg

where he owns a general lines agency. Wolf & Cohen has been appointed



John W. Latvis



James V. Castiglia

general agent at Washington. James V. Castiglia, vice-president, is manager of the life department.

## American United



Kenneth H. Anders

Kenneth H. Anders has been appointed Illinois state manager. He has been with Prudential, agency manager with Franklin Life, assistant superintendent of agencies of United States Life and most recently regional manager of Girardian Life.

## Standard Of Oregon

Warren K. Unzelman has been appointed manager of a new agency at Seattle.

## Bankers Of Nebraska



Jack E. Morrison

Jack E. Morrison has been appointed general agent at Spokane. Last year he led the agency in production and was a member of the company's Million Dollar and Centurian Clubs.

## Hartford Life

John A. Nussbaum Jr. has been appointed manager of the sales office at Kansas City, where he was general agent for Manhattan Life. Before that he was an agent for Equitable Society



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**Tabletalk**

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Keep pen and order blanks handy. Open the lid of Tabletalk ... and ... Presto! Picture after picture flashes on a large screen as it "talks" with your sales message in compelling tones that convince and "close" on call after call! No screen to set up! No complicated focusing or film-threading! Tabletalk is a self-contained combination 35mm filmstrip projection unit and 4-speed hi-fi record player in an attache case! Keeps you and your sales story as fresh on the last call as the first in the morning.

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Send me the word Today! Complete information on Viewlex Tabletalk.

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IN CANADA—ANGLOPHOTO LTD., MONTREAL

at San Antonio and at St. Joseph, Mo. James D. Friberg has been appointed manager at Des Moines. He has been general agent at Sioux City for American Mutual Life. Before that he was agent, district agent and supervisor for Northwestern Mutual Life at Sioux City and Spencer, Ia.

#### Georgia International Life

Harley K. Kennedy has been appointed general agent at Charleston, W. Va., where he was formerly a broker. Before that he was with Allstate there.

Appointed general agent at Miami for the company's Florida subsidiary, Florida-Georgia International Life is Austin D. Chandler, who has been general agent of Home Owners Life there.

#### Kansas City Life

John R. Rogers has been appointed general agent at Indianapolis for central Indiana.

#### Manufacturers Life

Robert W. Kallina has been appointed agency consultant in business

and estate analysis at Baltimore.

#### Massachusetts Mutual Life

Richard A. Labine, group trainee, has been appointed district group representative in the Chicago regional group office.

#### Continental Assurance

Thomas A. Miller has been named assistant manager at Dallas. He has been with Bankers of Iowa there.

**INTERNATIONAL OPPORTUNITY LIFE** of Denver has appointed Albert

A. Matson general agent at Tucson. He has been with Farm & Home Ins. Co. Eugene D. Ewing, formerly general agent of National Western and Bankers L&C., becomes field supervisor at Boise for Idaho and Oregon.

#### ST. LAWRENCE LIFE, CHICAGO

—Lawrence Butts has been appointed general agent for the Champaign-Urbana area.

#### CENTRAL AMERICAN LIFE

of Lubbock, Tex., has appointed W. M. Small manager at Lubbock. He has been manager there for Reliable Life.

**PACIFIC NATIONAL** has appointed M. W. Borders assistant manager at San Francisco. He has been with Connecticut General Life.

**INDEPENDENCE LIFE** of Pasadena has appointed Thomas H. Doyle manager of the newly established home office agency.

#### Western Reserve Life SEC Filing Seeks Registration For Stock Subscription

Western Reserve Life has filed a statement with the Securities & Exchange Commission seeking registration of 120,000 shares of common stock, which it proposes to offer for subscription by its stockholders on the basis of three new shares for each five shares held. Record date and subscription price will be supplied later.

Said the SEC, "Any shares not subscribed to pursuant to the rights offering will be offered for public sale on an all or none basis. The public offering price will not be lower than the subscription price."

The net proceeds from the stock sale will be used as needed to absorb the cost of writing new insurance business and for business expansion through the enlargement of the company's agency force in Ohio and one or more other states.

"The company has outstanding 200,000 shares of common stock, of which management officials as a group own 41,110 shares and the wives, children and other associates of the management officials, 18,860 shares."

#### Ohio National Sues To Bar Insurer From Similar Name

Ohio National Life has filed a suit in Hamilton County (Cincinnati) common pleas court to enjoin a Hamilton, O., company entering the life business from using the name Ohio Life.

The Hamilton company has operated as a fire and casualty insurer since 1925 under the name of Inland Casualty. It intends to discontinue its fire and casualty business and engage in life and A&S.

In its petition, the plaintiff contends that by reason of similarity in names of the companies, identical business purposes, and geographical proximity, the public will be confused and uncertain as to the identity of the insurers.

#### Republic National Holds Seminar

Republic National Life's reinsurance division held an agency executive seminar at the home office. Twenty-nine executives from 13 states were in attendance. Theo. P. Beasley, president and chairman, was host at the first day's luncheon, and Louie E. Throgmorton, vice-president and public services director, spoke at the banquet.

**San Francisco Life** has moved to larger offices on the fourth floor at 400 Montgomery Street, San Francisco.

# Why so many brokers prefer

# ANNUITIES

# from Great-West Life

Great-West Life Annuities offer your clients — at low cost — a life-time tax-sheltered investment . . . offer you a very profitable commission rate. In addition to the participating Annual Premium Retirement Annuity, Great-West has a wide variety of participating and non-participating Single Premium Plans and many other contracts tailored to suit individual requirements . . . such as Temporary Annuity, Term Certain Annuity, Reversionary Annuity . . . in fact, there's a profitable Great-West Annuity to meet *every* need.

*Great-West Life has many other advantages too!* Here are the most important . . . a wide range of quality contracts; rates that win sales; personal, attentive service on every contract; liberal commissions; complete co-operation and open-minded assistance from Head Office; plus the fact that Great-West is firmly established as one of the most experienced leaders in brokerage business.

Increase your earnings . . . by selling Great-West Annuities. Call or write your nearest Great-West office today.

**The Great-West Life Assurance Company**

HEAD OFFICE - WINNIPEG, CANADA



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## ...and how to get to him

He's young. Married. Three kids. Good health. Steady job, average pay. There are millions of him. He's the big Middle Income life insurance market. But he's a tough sale for most agents. They can't get to him. Mostly, they can't afford to.

*Who can?* What kind of agent does it take to handle this man's business?

It takes an agent who's already well compensated by selling auto and home insurance. It takes an agent who already has a special

entree to these families. An agent who's already at home in their homes—and *expected* there.

It takes perhaps an agent who settles an *auto* claim for one out of three of them every year, and has many a golden opportunity to bring up the subject of life insurance.



It takes just this kind of agent. And that means State Farm agents. They find it easy to call on the big life buyer. Regularly, they do. And they're thriving on it.

**State Farm Life Insurance Company**  
Home Office: Bloomington, Illinois

# How **LIFE** helps selling

In Philadelphia and all across the country, millions of families relived the excitement and heartbreak of the Civil War through LIFE's great Centennial series. In metropolitan Philadelphia, an average issue of LIFE reaches 40% of all homes...more homes than any other weekly or biweekly magazine. For 25 years LIFE's coverage of events past and present has drawn a loyal audience, has kept readers coming back.

The families that read LIFE are your best prospects. Eighty-five percent of all metropolitan market homes own life insurance, and in 13 issues, LIFE reaches almost *half again* as many homes in the metropolitan markets as The Post. That's how LIFE helps sell life insurance in Philadelphia and all across America.



**Biggest Audience Each Week.** In metropolitan Philadelphia an average issue of LIFE reaches 70% more homes than The Post, 18%

more homes than Look Magazine. Across the nation an average issue of LIFE reaches over 50% of all households earning \$7,500 and over.



**Quality Audience.** The University of Pennsylvania attracts students seeking higher education. LIFE, too, attracts the better-educated. Homes in which the household head is at least a high school graduate represent 45% of all the homes owning life insurance. In 13 issues, LIFE reaches 82% of all better-educated homes.

## POSSESSION OF LIFE INSURANCE

Per Cent of U.S. households in metropolitan markets..... **59%**

Per Cent of metropolitan market households owning life insurance..... **85%**

### 13-issue coverage of metropolitan market households:

<b>LIFE</b>		<b>76.3%</b>
<b>Look</b>		<b>68.5%</b>
<b>Post</b>		<b>52.8%</b>

Source: LIFE's Study of Consumer Expenditures

IT PAYS TO SELL WITH

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Chapter V  
with text



# Insurance in Philadelphia



**Memorable Coverage.** In LIFE's March 17 issue, readers will find Chapter VI in LIFE's great Civil War series: "The War Lives On," with text by Pulitzer Prize winner Robert Penn Warren. This kind of

coverage helps LIFE attract and hold 32 million readers every week. This kind of coverage of past history—and the most current news—helps make LIFE a potent force in selling life insurance in Philadelphia.

## Would Require Insurers To Invest 25% Of Their R. I. Reserves In State

A bill has been introduced in the Rhode Island legislature which would require life insurance companies doing business in the state to invest a portion of their reserve funds in Rhode Island securities and real estate.

The measure is sponsored by Rep. Orst B. Chayaryn, who said it was intended to place a "reasonable curb on the outflow of premiums and to en-

courage investments in Rhode Island."

Under the proposed legislation which is identical to a bill that died in the Rhode Island house last year, life companies would be required to invest and keep invested within the state at least 25% of the reserves they maintain to cover policies issued to Rhode Islanders. Companies already doing business in the state would be granted three years to build up a 25% investment level by graduated annual steps.

Sales of new life insurance by Northwestern National Life in Febru-

ary marked a new high for the month—total sales were \$18,231,000, 29% ahead of February a year ago and \$500,000 over the company's best previous February in 1959.

### Bill Would Raise Exam Fee

The insurance committee of the Connecticut legislature has favorably reported a bill to increase from \$300,000 to \$500,000 the maximum cost that may be charged a domestic insurer by the Connecticut department for examining it.

## Crown Life Utilizes Electronics To Send Out Annual Reports

Policyholders of Crown Life of Toronto received their annual reports in record time this year—thanks to a new technique.

Crown Life is one of the few insurance companies to mail an annual report to policyholders. This year, Crown Life and one of its suppliers worked out a way to slash the time that it used to take to produce and mail more than 300,000 reports.

The 1960 Crown Life annual report was produced and addressed in just three weeks, with the help of electronics. The same operations last year took nearly three months.

About a year ago, Crown Life's supervisor of marketing services, Clarke Lloyd, started to experiment on techniques to speed up the process. Soon the answer was hit upon—an annual report needing no envelope, produced by combining the facilities of Crown Life's IBM 407 punch card tabulators with the supplier's rotary press equipment for continuous forms. The result: A self-sealed annual report in eight pages and two colors, with a window on the cover to show the policyholder's name and address.

Key to the production method used is the second of the eight pages. This page is perforated horizontally, the bottom half forming a business reply postcard on which the policyholder may make a check-mark to receive a personal estate plan from Crown Life. This page was run through Crown Life's IBM punch card system, which applied the policyholder's name and address where they would show through the window on the cover. The 316,000 second pages, all bearing policyholders' names and addresses, were then sent to the supplier's plant. There, the other seven pages were printed on the rotary press continuous form equipment. Finally, the eight pages were automatically collated, the right and left sides gummed and the top and bottom left open. The right-hand gummed margin, which the recipient is instructed to tear off along the perforated line (leaving him with a report in book form) also carries the post office permit.

### Kueckelhan Names Bruhn



Congratulations are in order as Washington Commissioner Lee L. Kueckelhan (left) welcomes S. Fred Bruhn to the department as chief deputy.

Mr. Bruhn was graduated from University of Washington's law school in 1959 and since that time has served as assistant attorney general assigned to the commissioner's office. He has gained a varied background of experience in dealing with interpretation of the insurance code.

## BMA...Busy Moving Ahead!

# Quote...

from a recent BMA report:

### Outstanding Accomplishments of the BMA Sales Organization in 1960...

- ★ \$506 million of new paid life insurance, an 18 per cent gain over 1959.
- ★ Nearly equal premium volume in health insurance sales.
- ★ More than \$2 billion of life insurance in force.
- ★ Increase of \$1 billion of life in force during the last 5 years.
- ★ Eleventh consecutive year of record sales.
- ★ 32 per cent gain in production per salesman over 1955.
- ★ 54 BMA salesmen sold more than \$1 million life to join the BMA Million Dollar Club.

The more than 1,000 full-time BMA salesmen in 82 Branch and District Offices in 40 states, Washington, D.C. and Puerto Rico, are *busy moving ahead* in 1961 with a full range of life and health insurance plans.

**BUSINESS MEN'S ASSURANCE**  
*Company of America*



Home Office: Union Station Plaza, Kansas City 41, Missouri

Life Insurance • Health Insurance • Hospitalization • Major Medical Expense • Group Plans • Annuities • Reinsurance



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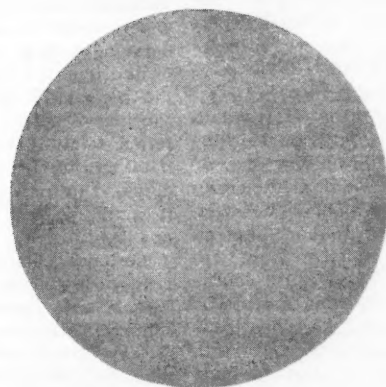
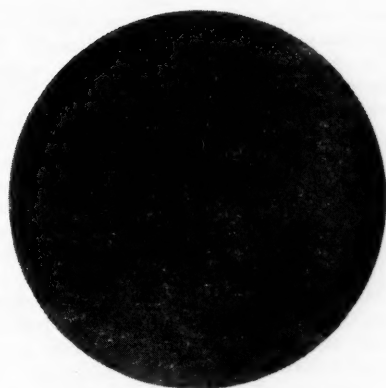
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WE'RE  
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PLACES!

**WANT TO COME ALONG?** 1960 WAS A RECORD YEAR for us in the amount of paid business. In fact, the total volume was the largest in our history of over half a century in personal life insurance.

Our 1960 sales increased 20% over 1959—why not associate yourself with this quality company that is growing and on the move.

We will be glad to discuss the details of a rewarding career with Mutual Trust.

Address your inquiry to Philip F. Embury, Director of Sales.

**MUTUAL TRUST LIFE INSURANCE COMPANY**

Nothing Finer In Life Insurance

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## Editorial Comment

### Good Start On Terminology Problems

Should life insurance continue to be called life insurance? It seems wholly unlikely that any member of the committee on life insurance terminology will seriously try to improve on "life insurance" as a designation, but unquestionably the scholarly approach is to take nothing for granted, even in considering something as long established and widely accepted as the generic term "life insurance."

Chairman S. S. Huebner, in announcing five general areas for the committee's consideration at its first meeting, May 17, favors starting from the top and working downward into the life insurance language, rather than picking specific areas of difficulty that might be the pet problems of various members. As far as "life insurance" as a generic term is concerned, Dr. Huebner believes it to be an excellent one.

We agree with that view, our only reservation being one that is wholly impractical: "Life insurance" tells the public nothing except that it's a contract that pays off at the end of a life. Hence, as far as the general public is concerned, life insurance might as well be called "death insurance." If life insurance had originally been called "peace-of-mind insurance" or "serenity insurance," we'd probably be having a lot less trouble today with people who think that having a thousand dollars in "good, sound stocks" is virtually the same as having a thousand dollars in life insurance cash values.

But the chances of getting a more richly descriptive generic term substituted for "life insurance" are so remote that the idea can be quickly dismissed as an idle dream. A more practical approach is to educate the public so that "life insurance" will mean to the general public all the different things that it means to the insurance man.

Dr. Huebner's second suggested area of discussion is, Should "annuities" be bracketed with "life insurance" in a generic sense, or should annuities be considered as separate from life insurance? We had never considered this

to be a problem—and it's the sort of thing that would probably be a more annoying problem in newspaper work than in any other insurance activity we can think of. It seems as if annuities are bracketed with life insurance when they should be and not when they shouldn't be. Probably a few frowny rules would help here, so all would know when to bracket and when not to.

As to the terms "ordinary," "group" and "industrial," Dr. Huebner feels sure there will be some argument about "ordinary" and "industrial" and that it will take a good long while to resolve the matter. That seems like a conservative evaluation. For one thing, group business is legally part of ordinary. It is as incorrect to refer to "ordinary and group" as it is to refer to "doctors and interns."

So to be technically correct, it would be necessary to say "individual ordinary" or "ordinary excluding group" when referring to what is generally thought of as ordinary business. Changing the laws sounds like an easy answer, but maybe there are reasons why this would cause confusion and havoc. If the change could be made without bringing on more troubles than the change would be worth, it would be a helpful start to have ordinary and group legally divorced instead of just living apart, as they do now.

But even if "ordinary" becomes by law or by general understanding the designation for individual ordinary and nothing else, there will still be the major problem of the unpleasant associations of the word "ordinary." It sounds mediocre, undistinguished, run-of-the-mill—anything but the superior thing that it is. Moreover, it is used confusingly: It means a whole class of insurance, but it also means a particularly type of policy within that broad class—the ordinary life policy.

Perhaps because the designation "ordinary" is so inappropriate and in its dual use so confusing, the public doesn't use it very much, in either sense. But the designation has some currency among laymen, and it will

doubtless gain more if the public becomes as knowledgeable about life insurance as we all hope.

Should a better designation be sought? Or should the effort be concentrated on getting the public to understand the special meaning that "ordinary" holds in the life insurance lexicon? What might be substituted for "ordinary"? "Regular"? It makes other kinds sound irregular. "Standard"? Then what do we do about "standard" as differentiated from "substandard"?

At least one major company refers to its ordinary business as "premium notice" business. This is an excellent designation within the company, but it seems unlikely ever to gain popularity with the general public.

If a diligent search for a viable substitute for "ordinary" fails to unearth one, the only alternative would be to make the public understand that "ordinary" in life insurance doesn't mean mediocre—that it is a word of art that a person can be a little proud of understanding and thereby being one-up on the ignorant louts who don't know the special life insurance meaning of "ordinary." After all, there are many terms, some of them fairly derogatory if taken literally, that are so well understood in their special meanings that it would be fruitless to change them and futile to try.

We have "common" stock that is not always mediocre, "preferred" stock that is not always preferable to the common. Highway signs saying "vehicles with lugs not permitted" are not taken as possibly reflecting on the car's occupants. "Bastard" when applied to a file doesn't mean it isn't a perfectly dandy file. "Routine" implies "humdrum," but a comedy routine may be anything but humdrum. "Pedestrian" prose is pretty deadly dull, but there's no such implication in, for example, "pedestrian" traffic.

Many others could be cited to show that it is possible for a term to mean something good as well as something bad. So if no better term can be found or devised that has a chance of supplanting "ordinary," it should be possible to educate the public, in time, to understand that in life insurance "ordinary" means a top-notch buy. Carpentry, the church and sailing, as examples, all have terms that are peculiar to themselves. Some are extremely peculiar. They are marks of age, the patina of respectability. They are of-

ten the passwords to conversation with others who are in the know.

By subtle implication, an institution that is so big and so old that it uses certain terms in senses opposite to their layman meaning tends to be regarded as something pretty special. In the case of "ordinary," it seems likely that if a better term had been readily available it would have been advocated and adopted long ago. Yet today, in spite of all the years during which the desirable connotations of "ordinary" have been known, nobody has come up with anything even approaching a likely substitute.

Dr. Huebner's fourth point deals with what non-group coverage should be called. Between "individual" and "personal," we strongly prefer "individual." Group, after all, is as much a "personal" coverage as any other form of life insurance. "Personal" is already in use to distinguish life insurance, health insurance and the like from fire, liability and other coverages that do not involve the insured's "person."

The fifth area suggested by Dr. Huebner—the proper term for the field man who contacts the public—deserves a separate editorial and will get it.—R.B.M.

## Personals

Chas. E. Becker, president Franklin Life, early this month celebrated his



Chas. E. Becker

40th anniversary in the life insurance business. As a youngster just out of his teens he started as a salesman in western Kansas for Great States Life. In his first 12 months his sales exceeded \$1 million. In the depths of the depression Mr. Becker founded his own company, Great American Life of San Antonio, and in 10 depression years built it to more than \$4 million in force. In December 1938 Mr. Becker and his associates purchased control of the 56 year old Franklin Life of Springfield, Ill., commencing the era of that company's amazing growth. From an in force figure of \$177,500,000 on Jan. 1, 1940, the company rocketed to more than \$4 billion on Dec. 31, 1960. Last year's sales exceeded \$940,000,000.

A. William Evans, director of administrative training and recruitment for General American Life, has been named a captain in the U. S. Navy Reserve. He was on military leave of absence for both World War II and the Korean War, serving on destroyers in the Atlantic and Pacific.

## Deaths

A. G. JANSZEN, 82, San Antonio agent of Jefferson Standard Life, died following a stroke. He held the agent's contract with the company west of the Mississippi, signed in 1910. Beginning in the life insurance business on a part-time basis in Ciba

## THE NATIONAL UNDERWRITER

The National Weekly Newspaper  
of Life and A&S Insurance



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Tex., he subsequently became a full-time agent and moved to San Antonio, bringing with him his brother-in-law, O. P. Schnabel, who is now manager there. Messrs. Janszen and Schnabel opened the agency.

**EDWARD M. VEATCH**, 79, one of the organizers of Southern Life of Atlanta, and underwriting secretary of that company when he retired in 1958, died at his home in Louisville.

**Mrs. CHARLES C. ROBINSON**, whose husband is an insurance communications consultant and former life insurance agency executive, died at their home in Wellesley Hills, Mass. Long interested in the theater, Mrs. Robinson acted in many productions, and appeared at the Paper Mill Playhouse, Millburn, N.J., in a number of roles. At Wellesley Hills, she was active in the Wellesley Players and the Wellesley Community Chorus.

**FRANK J. BARTSCH**, 62, vice-president and a director of Poulson Ins. Co., Chicago, died. He had been

with the company as a vice-president since it was formed in 1952. Before going with Poulson, Mr. Bartsch for 23 years was with the Illinois department for seven years as an assistant director and for 16 years as head of the liquidation bureau.

**PAUL P. SHAFER**, retired vice-president of Life of Virginia, died at Kinsale, Va.

**BERT ALLEN PERRY**, 73, retired general agent at San Antonio of the old Reliance Life, died. When Reliance merged with Lincoln National Life, he became associate general agent with J. L. Lawrence. He was one of the pioneers in the sale of health insurance in Texas but continued to specialize in pension plans, estate planning and group life.

**LEON O. HEAD**, 81, a vice-president of Manhattan Life, died at his home in New York. He was president of the Railway Express Agency Inc. from 1932 to 1949. He became a vice-president of Manhattan when Expressmen's Mutual Life was merged with it in 1957.

## Comments On The Insurance Field From The Investment Dealer's Chair

By **LEVERING CARTWRIGHT**

Cartwright, Valteau & Co., Board of Trade Building, Chicago

Readers of this column will have an intermission until about May 15. The writer is off for two months abroad including a month in the Aegean Sea.

By way of a reminder that all is not beer and skittles in the insurance business, Agricultural reduced its quarterly dividend from 40 cents to 20 cents. This is drastic action on the part of a fire-casualty company because these institutions try to maintain their dividends under the most trying circumstances. It is one of the special virtues of such an investment that the dividend, once set, is exceptionally secure. Donna cost the "Ag" \$1,666,976 and they suffered an operating loss of \$320,803 despite the fact that investment income was nearly 18% higher. Surplus loss was \$2½ million. On this announcement the market in "Ag" was demoralized. It dropped from 34 bid to 28 with a very wide spread between bid and asked prices.

Conn. General Life continued to slump and closed Friday at 416, which was a nearly 10% decline from the high, and was minus 30 for the week. Shelby

*VALIC was the fireball this week reaching as high as its issued price of 12 last June. Lincoln National was exceptionally strong. It got up to 113. Conn. General after 3 weeks of downhill going reversed itself and came into demand. The Government Employees issues were much in demand and higher. Travelers and Aetna Life were good. Aetna Fire got up to 109 which is an all-time high. Agricultural settled down to a price of 28½ bid.*

Cullom Davis & Co., had released a study comparing C. G. and Lincoln National Life and indicating that L. N. L. was considerably "cheaper." This may have caused switching, as L. N. L. broke through its former barrier of 100 and went on into new high ground at 104½ bid Friday. Other weak spots included Continental Insurance on the New York Stock Exchange which slipped under 56 and was at that point 10% off its recent high, and INA which at 88 was also 10% off.

Reliance Insurance ran up to as high as 70 and took Standard Accident with it up to 63 bid. They both closed a little lower Friday, though.

Business Men's Assurance was the standout among life stocks and on Friday was bid 65 with no stock offered. This was plus 8 for the week.

Travelers got up to 113 which was only 10 points from its all-time high and was at one time 10 points ahead of Aetna Life. But AEL started to perk up and at 104 was only 5 points from its market summit. Travelers recently sold 218,000 shares of AEL. The latter is a very large holder of Travelers.

Other strong spots included Aetna Insurance, up 5; Continental Casualty, plus 2, Federal 2½, Great American 3, Hartford Fire 4½, and breaking into the 70 range, Mass. Protective 3, U. S. F.&G. 2 and U. S. Life 1½. American General got up to 40½ bid and Great Southern was wanted at 77.

Variable Annuity Life got a rush, triggered perhaps by its application to SEC for an exemption order to permit it to make advances to life insurance general agents, special agents and home office sales employees, also perhaps by the fact that Prudential has taken further steps to get the variable annuity unlocked. When and if Prudential actually gets going on this the variable annuity may become real merchandise instead of just something for literary speculation. VALIC moved up under aggressive buying from the west coast and was 10 bid, up a point.

Reinsurance Investment Corp. has been granted an exemption for one year from provisions of the investment company act. It owns 1,152,000 shares of Loyal American Life and intends to get enough more to give it control. RIC owns also 189,495 shares of American Income Life which comprises voting control.

Western Reserve Life of Cleveland is seeking registration of 120,000 shares with SEC, the offering to be made through McDonald & Co., and Ball, Burge & Kraus.

Acquisition of Northeastern Life by Fidelity Bankers Life no doubt will spur interest in the stock of the latter. It is 10 bid. The Hutner interests sold out,

## SHOW 1960 INSURANCE RESULTS

	1960 New Business	1959 New Business	1960 Increase in Insurance In Force	1959 Increase in Insurance In Force	Insurance In Force Dec. 31, 1960
American United Life	\$428,122,556	\$432,192,631	230,205,177	260,146,073	1,578,592,094
Bankers Life & Casualty	130,569,259	182,660,058	23,350,815	80,307,345	755,840,740
Canada Life	683,728,535	669,672,020	437,066,044	462,787,474	4,129,778,745
Excelsior Life, Canada	73,262,859	72,996,501	61,575,715	36,433,289	591,037,200
Gulf Life, Fla.	243,080,703	212,372,121	107,455,534	98,187,103	1,365,751,004
Knights Life	175,708,935	127,502,213	71,532,572	42,487,529	823,011,246
Manufacturers Life, Can.	625,295,705	548,217,465	362,984,786	209,403,553	3,544,563,261
Peoples Life, D.C.	150,078,058	149,699,746	35,102,063	42,844,290	773,305,467
Protective Life, Ala.	100,739,307	119,018,468	53,525,994	54,952,956	1,143,644,709

New business figures include the following amounts of revivals and increases for 1960 and 1959 respectively: \$124,329,565 and \$81,384,472; \$63,594,817 and \$79,492,418.

### Field Force Honoring Barnes Of Ohio State

The field force of Ohio State Life this month is dedicating its efforts to new president Frank L. Barnes in the "March for Barnes" campaign. Mr. Barnes is marking his 44th year in insurance.

Agents will receive a pen and pencil set for their first \$4,400 of submitted business. Gifts will also go to wives of agents submitting \$44,000 and to the general agents' wife when the agency fulfills its pledge.

### Inter-State Assurance To Enter Life Field

Inter-State Assurance of Des Moines, an A&S specialty company, is preparing to enter the life field. The company intends to begin writing life in Iowa this year and later go into 25 states in which it is already licensed.

Last year Inter-State Assurance had a 10% gain in premium income while assets and surplus were both up 10%.

### Opens Branch At Hilo, Hawaii

American Pacific Life of Honolulu has opened its first branch at Hilo, Hawaii. Yasushi Matsuda has been appointed manager. The company has been engaged in selling for four months and has \$11 million in applications.

### Yount's Hat In Ring As Trustee Of NALU

Washington Assn. of Life Underwriters and Seattle-King County Life Underwriters Assn. have announced the candidacy of Lewis C. Yount for trustee of National Assn. of Life Underwriters. He is Seattle manager of Prudential.

Hugh S. Bell, general agent of Equitable Life of Iowa at Seattle, and Kendrick C. Hawkes, Mutual of New York, Seattle, will act as co-chairmen in Mr. Yount's campaign at the annual meeting of the national association in Denver this September.

Mr. Yount, in the life insurance business for 15 years, has been past president of the Washington association and of Seattle Life Managers Assn. He is currently general chairman of Northwest International Area Management Conference, on the board and national committeeman of Seattle-King County association and is a board member and GAMC representative of Seattle Life Managers Assn. He is a CLU.

His agency has won Prudential's president's citation (given the top 15 ordinary agencies) five out of the past seven years, and in 1958 the agency won the president's trophy for the leading agency in all-around accomplishment.

but the Swedish interests in Northeastern are staying. Herbert L. Hutner has been at cross purposes for some time with the New York insurance department. Northeastern has a book of about \$74 million ordinary life. Its group business has been the question mark. The final payout to Northeastern selling stockholders will depend on the experience with the group business.

Wilshire Insurance of Los Angeles is seeking SEC registration of 313,000 shares to be sold to present stockholders at \$5 per share and to others at \$5.50.

Seaboard Surety's insurance stock holdings comprise Aetna Life 1,333 shares, Hartford Fire 3,600, Insurance Company of North America 2,400, St. Paul 2,300 and Travelers 1,500. Piedmont Southern Life holds 200 Life Ins. Co. of Georgia, 9,995 Piedmont Life of South Carolina, and 132,500 Reinsurance Corp of New York Agricultural has 2,092 Hartford Fire, 1,728 Insurance Co. of North America and 1,615 Northern Insurance. Besides its bundle of 45,000 shares of United Services Life, Northeastern Insurance has 2,300 shares of Northwestern National of Milwaukee. Life Ins. Co. of Georgia has 440 Continental Insurance shares and 700 of Transamerica. U. S. F.&G. has 212,383 shares of Monumental.

Harry V. Wade, the president, in his annual report to stockholders of Standard Life of Indiana includes an assessment of the per share value. In the past he has taken \$20 across the board as the book value for all types of life insurance except credit for which later he claims no book worth. This year he takes \$23 for ordinary life, \$5 for term and \$3 for group. With this formula he fixes the new book value at \$60.40 as against \$55.48 the previous year.

Now that life insurance shares are strongly back in favor, it is interesting to review the record of Life Insurance Investors Inc. This was started at what proved to be an inauspicious time, February, 1955. The bull market in life insurance stocks exploded in July of that year and there ensued a five-year period of correction. The original price to the public was \$16.25 per share. It was started on a closed end basis. Then it was open ended on July 8, 1957. The price then was \$17.08. Capital gains distributed to date total \$3.03 including the 72 cents that was paid March 8 of this year.

Reinvestment of capital gains distribution on a \$10,000 investment computed from July 8, 1957 would result in total of 664,408 shares with present asset value of \$13,407.75. Reinvestment of income dividends as well as capital gain would result in a total of 675,487 shares with present asset value of \$13,631.33.

Amount of cash received if dividends and capital gains were taken in cash—\$1,387.93.

Percentage increase on original investment of \$10,000, reinvesting capital gains only—34.07%. (Based on purchase on July 8, 1957 at offering price of \$17.08 including sales charge of 8½%.)

The starting date of July 8, 1957 was used since prior to that time shares were not offered continuously as mutual fund shares, but were traded over the counter. Capital gains and dividend income of 20.05 cents and 21.45 cents respectively were paid from February, 1955 until July, 1957, but under the then existing policy of the Fund could not be reinvested.

## Dunaway Examines Caveat Emptor Rule In Policy Replacement

(CONTINUED FROM PAGE 2)

which stand for the proposition that in order for a purchaser of life insurance to obtain legal redress because of misrepresentations made by an agent in selling the insurance, the purchaser must not only show that he bought the insurance in reliance upon the misrepresentations but also—as I said just a few moments ago—establish that such reliance was justified. The presence or absence of justifiable reliance will, in turn, depend upon the

circumstances involved in a given case. The supreme court of South Carolina put the matter this way in the case of *Thomas vs American Workmen*, 197 S. C. 178, 14 S. E. 2d 886, 136 A. L. R. 1 (1942):

### Quotes From S. C. Decision

"Whether or not reliance upon a representation in a particular case is justifiable or excusable, what constitutes reasonable prudence and diligence with respect to such reliance,

and what constitutes a reckless or conscious failure to exercise such prudence, will depend upon the various circumstances involved, such as the form and materiality of the representations, the respective intelligence, experience, age and mental and physical condition of the parties, and the relation and respective knowledge and means of knowledge of the parties."

In line with this type of reasoning there are, for example, a good many decisions denying the policyholder's

right to civil redress on account of alleged fraudulent misrepresentation with respect to the contents of his policy where it was determined that he could have readily ascertained the true facts by a timely reading of his policy, had the intelligence and education to understand the policy and had full opportunity to examine it."

### Shoe Shifts To Other Foot.

However, where misrepresentations deal with matters connected with a policy in which the agent has, should have or professes to have a superior knowledge, then the shoe would plainly appear to be on the other foot. This would seem to be particularly true where the insurance transaction is a complicated one. The well known case of *Knox vs Anderson* (159 F. Supp. 795 (D. Hawaii 1958)) is extremely illustrative of this type of situation. Incidentally, it is also the only case that I have come across in which a court has, in so many words, referred to the applicability of the rule of caveat emptor to the sale of life insurance.

I shall not burden you with a detailed review of the complicated facts of the *Knox* case. However, the highlights were about as follows: The defendant, Anderson, who specialized in the sale of loan-financed life insurance, sold to the plaintiff, Knox, on the so-called bank loan plan, a \$100,000 10-pay life policy, with an annual premium of \$7,265. At the time of the sale, Knox's annual income was \$9,600. He obtained loans against his existing insurance to help to pay the first premium on the new policy. He was assured by Anderson that since the interest on these loans, together with the interest that he was to pay on subsequent loans obtained to carry the policy, was tax deductible, his average annual net outlay for the \$100,000 policy would be only slightly in excess of what he had been paying in premiums for his old insurance of approximately \$41,000.

### Wife Bought Policy

A few months later Anderson also sold Knox a \$50,000 policy on the latter's wife—again on the bank loan plan. In all of the schedules that he used to illustrate the effect of the interest deduction in Knox's case, Anderson showed Knox as being in a 40% tax bracket when he knew—or certainly had every reason to know—that Knox in fact was in a 26% bracket.

Moreover, the schedules used by Anderson were so complicated and difficult of comprehension that a former insurance commissioner of Hawaii testified that he had to spend 30 to 40 hours just to find out from the final schedule what had happened to Knox's old policies in the new program. Another witness—described in the opinion as a "well-qualified expert"—testified that despite his familiarity with bank-financed insurance, it took him six or seven hours a day for two weeks to analyze the schedule prepared by Anderson. Incidentally, it might be added that Anderson had exacted from Knox a promise not to show the schedules to "any insurance competitor."

To make a long story short, Knox



W. deV. Washburn

President, AMERICAN HEALTH INSURANCE CORPORATION

## A Personal Message to Life Underwriters Seeking a More Rewarding Career with Health and Life Insurance

Our only concern as health insurance specialists is to do the best possible job for our policyowners and agents in health insurance. More is involved than just policy provisions, rates and commissions. This we have known right along, of course.

As a company engaged from the start in this specialized underwriting in its own right, we have a sureness of effort and attitude of service in health insurance, and we enjoy and are grateful for our well-earned reputation for integrity. The secret ingredient of inner confidence helps each of our agents succeed, of course. He knows he will deliver the promises he makes to others, with a special kind of service.

Life and Health Insurance go together. We believe that if you are a life man interested in moving ahead in a sound, secure career you should take a good look at *American Health*—an insurer that specializes in this single type of coverage, with a very high growth potential for you. It will help you set your own standards.

Health insurance can harm you or help you in a life insurance career. As a result of specializing, we believe we understand the problems of this business in general, and those of the agent or general agent in particular. We believe we know just a little more about how you—a life agent—can better employ health insurance as a tool in your career accomplishment.

At *American Health* there is always room for carefully selected agents who intend to move ahead, and who have deserved, good reputations in their communities.

If these ideas make sense to you, we would be glad to tell you more. Why not check a little further into the American Health Story?

*W. deV. Washburn*

W. deV. Washburn,  
President



**AMERICAN HEALTH**  
INSURANCE CORPORATION

300 St. Paul Place, Baltimore 2, Md.

## A Service Guide

CONFIDENTIAL NEGOTIATIONS FOR  
SALE OF INSURANCE COMPANIES

*Ralph F. Colton*

30 N. LaSalle St. Chicago 2, Ill.  
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account of presentation of his plan. He then canceled the two new policies and brought an action for damages against Anderson for fraud and deceit.

The court held for Knox and awarded him not only his actual damages, in the amount of more than \$13,000, but also the sum of \$2,500 for mental suffering and \$10,000 as and for exemplary and punitive damages.

**Court Makes Statement**

During the course of its opinion, the court made the following statement: "The complexity of the insurance plan sold to plaintiff brings us into an area of the law which has long since seen the demise of caveat emptor. 'Buyer beware' lingers now only in the argument of the lawyers."

My own firm opinion is that the courts will reach this same conclusion with respect to replacement situations, at least where the purchaser relies entirely upon the agent making the presentation and does not seek outside insurance counseling. It may be true that, normally, a replacement transaction in and of itself is not as complicated a maneuver as the sale of loan-financed insurance. Still, it is usually characterized by a fairly high degree of complexity, particularly since it necessarily involves policy comparisons which are generally exceedingly difficult for even a trained and experienced agent to make with accuracy.

This, it seems to me, clearly makes for a situation in which the purchaser is both induced and entitled to place his reliance upon the superior skill and knowledge of the agent and thus to negate the rule of caveat emptor. Indeed, there are some who apparently feel that the doctrine of caveat emptor would not apply irrespective of the complexity of a given insurance plan. Take, for instance, the following quotation:

**Quotes From Writer**

"Does an insurance agent acquire a fiduciary relationship of 'trust and confidence' and a position of 'superior knowledge' solely by virtue of the fact that he is presenting a complex plan of insurance? We must conclude that in fact he holds this relationship with

his clients regardless of the complexity of the plan being presented. 'In the last quarter century the evolution from agent to life underwriter has been from peddler to pedant. Today the life underwriter is recognized by society as a trained expert in estate analysis, and the quality of his golf game is no longer a major factor! This is the goal which has been sought, and with the position, come the responsibilities.'"

While it may be that the author of the above language somewhat overstated his case, I personally believe that, by and large, his thinking was accurate and is indicative of the modern trend in the "rules of the game" governing the relationship between life underwriters and their prospects and policyholders. Needless to say, it seems perfectly obvious to me that he would disown the doctrine of caveat emptor in cases involving the replacement of insurance.

**Can't Use Caveat Emptor**

To repeat, it is my own conclusion that, in the absence of unusual circumstances, an agent will not be permitted to fall back on the doctrine of caveat emptor as a defense against civil action brought by an injured policyholder who has been induced by the agent's misrepresentations or incomplete or misleading policy comparisons to replace existing insurance with new.

It is even clearer that the doctrine has no application in those cases in which insurance supervisory officials bring disciplinary or penal proceedings against offending agents under the various state "anti-twisting" laws. This is so because in proceedings of this kind, all that the state has to show is that the agent made misrepresentations or misleading or incomplete policy comparisons which either had the purpose of inducing or had the tendency to induce the policyholder to replace his old insurance with new. It is not necessary to prove that the policyholder in fact relied upon the agent's presentation. Indeed, under the typical anti-twisting statute, it is not even necessary to prove that the policyholder actually replaced his insurance. Thus, I reiterate that in this type of action, it is abundantly clear that the issue of caveat emptor has absolutely no relevance in determining the guilt or innocence of the agent concerned.

**Sees No Easy Solution**

I must confess that I see no particularly easy or ready solutions to the problem posed by the indiscriminate and unwarranted replacement of policies. However, I do wish to offer the following suggestions as at least representing steps in the right direction:



Bernard S. Bergen, general agent of Mutual Trust Life at New York, left, is presented with the company's president's trophy by Philip F. Embury, director of sales. The award is made on the basis of achieving the highest percentage of an established quota and the Bergen agency led the Mutual Trust field force three out of four quarters in 1960, thus retiring the cup.

1. Our local life underwriter and general agents and managers associations should continue and intensify their efforts to cooperate with the insurance departments of their own states to bring all twisters promptly to book.

2. Our associations should be more aggressive than at present in disciplining their own members for violations of the anti-twisting laws.

3. It would seem advisable that every state have a law or regulation requiring that any proposal counseling the replacement of existing insurance be submitted in writing to the prospect and other directly interested parties. Only a few states presently have such a regulation, although its desirability should be self-evident.

4. Our associations, and the home offices as well, should take more aggressive action to educate our policyholders concerning the general lack of

## Greensboro Agency wins Jefferson Standard

# PRESIDENT'S TROPHY



W. H. ANDREWS, JR., C.L.U.  
Manager  
Greensboro Branch Office

The Jefferson Standard Life Insurance Company is pleased to congratulate W. H. Andrews, Jr., C.L.U., Manager, and his associates of the Company's Greensboro Branch Office as winners of the President's Trophy for 1960, for best all-around performance. This is the first year of the award, made by Howard Holderness, President of Jefferson Standard.

The President's Trophy is the most coveted award that can be won by any of Jefferson Standard's 68 Branch Offices operating in 29 states, the District of Columbia and Puerto Rico.

W. H. Andrews, Jr., and his associates throughout the Greensboro Agency's 18-county territory sold in excess of \$12,000,000 of life insurance protection during 1960. This is an 11.8% increase over their record for the previous year.

Other criteria used in selecting the winner include: quality of business, development of manpower, sustained agency building, and service to policyholders as reflected in the net gain in insurance in force.



**Jefferson Standard**  
LIFE INSURANCE COMPANY  
Home Office: Greensboro, N.C.

NOW MORE THAN TWO BILLION DOLLARS OF LIFE INSURANCE IN FORCE

wisdom in replacing existing policies. In this connection, the Amarillo Assn. of Life Underwriters has developed a very simple card for use by its members as a mailing piece to their policyholders. This little card simply (a) warns the policyholder that replacement of insurance is, in most cases, not to his best interests and (b) advises that before replacing a particular policy the policyholder should contact a representative of the company which issued the policy. It seems to me that this type of message, though quite simple, should prove to be very effective.

5. Finally, I believe each general agent or manager, and each home office, can and should be more conscientious and alert in policing the replacement activities of his or its own agents.

1. See cases digested at 136 A.L.R. 5 (1942).
2. Id. at pp. 37-51.
3. See XIV Assn. of Life Insurance Counsel Proceedings 423,442-3, 448-9 (1958-1959), paper by Allen M. Steele, general counsel Life & Casualty, entitled "Legal Duties and Liabilities of the Life Insurance Agent."
4. The findings of fact and conclusions of law in the Knox case are reported at 162 F. Supp. 336.
5. For an excellent treatment of the more significant factors to be considered in making

policy comparisons, see Chapter 16 of the Life and Health Insurance Handbook (1959), entitled "Analyzing Contracts and Costs." Among other things, this chapter points up the extreme difficulty of making complete and meaningful cost comparisons. See also New York Insurance law, §127 (2), which sets very exacting standards with respect to cost comparisons.

6. See XIV Assn. of Life Insurance Counsel proceedings 575, 607 (1958-1959) paper by Robert W. Smith Jr., assistant general counsel Union Mutual Life, entitled "Minimum Deposit Plans: a Primer for Life Insurance Counsel."

7. See p. 454 of paper cited supra in note 3. Indeed, the New York Insurance law, §127 (3), specifically provides—although seemingly unnecessarily—that in determining the incompleteness or misleading character of any policy comparison, "it shall not be presumed that the insured knew or knows of any of the provisions, terms or benefits contained in any insurance policy or contract."

8. For example, the New York Insurance law, §127 (1), provides in part simply that no agent "shall make to any person or persons any incomplete comparison of any such policies or contracts of any insurer or insurers, for the purpose of inducing, or tending to induce, such person or persons to lapse, forfeit or surrender any insurance policy or contract."

9. Collins vs Caminetti, 24 Cal. 2d 766, 151 P. 2d 105, 154 A.L.R. 1141 (1944).

10. Supra, note 8.

The Speyer agency at Boston has received the leading agency award of Berkshire Life for the second consecutive year. The selection was based on sales and agency building.



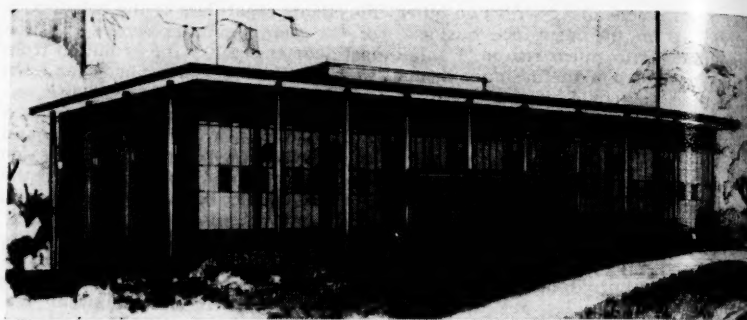
"Gotcha covered!"

Your whole family's covered, Mrs. Jones, with Anico's very low cost Econ-O-Master Family Policy. Full family protection on an economy-sized premium can also be written on a husband-wife "partner-plan" basis. NOTE TO SALESMEN: This is another of Anico's complete line of competitive plans. With competitive commissions and vesting too.

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HOME OFFICE: GALVESTON, TEXAS

Openings everywhere in territory for Representatives, Brokers and Special Brokers. Inquiries will receive prompt, confidential replies. Address: Coordinator of Sales.

**OVER 5½ BILLIONS OF INSURANCE IN FORCE**



Architect's drawing shows how new home office of Wisconsin Life at Madison will look when it opens for occupancy in late fall. Three-story edifice will provide double the floor space insurer has in present home office. Building will be air conditioned and will contain cafeteria, lounge, library and several conference rooms.

## Mich. Unions Seek To Halt Blues Increase

LANSING—Union opposition to a proposed increase in rates for Michigan Blue Cross-Blue Shield organizations has taken the form of an attempted mandamus action in the state supreme court to prevent Commissioner Blackford from approving them. United Auto Workers locals 351 and 7, both of Detroit, brought the action, claiming that the commissioner's hearings on the rate requests were mere formalities and failed to comply with the administrative procedures act. The locals seek a hearing before the court March 21 to determine whether an order shall be issued blocking action by Mr. Blackford until new formal hearings have been conducted.

The commissioner, who has repeatedly postponed announcing his decision on the requests for a 22% increase by Michigan Hospital Service and a 13.5% increase by Michigan Medical Service, indicated he now would await court consideration of the petition before acting. The court, so far, has issued no temporary injunction to stay the commissioner's decision.

The petition noted that formal demands has been made on Commissioner Blackford Feb. 22 that he grant hearings in full conformity with the law which requires taking of sworn testimony or affidavits, permits cross-examination of witnesses and rebuttals, and requires that a written record be kept. The commissioner, it was stated, denied such new hearings. Departmental hearings on the rate proposal were conducted in Detroit, Grand Rapids, and Lansing.

"We are apprehensive," the union petition states, "that continued abuses and mismanagement will spell doom of Blue Cross-Blue Shield and the original purposes for which these companies were formed will be defeated. We have many objections and criticisms to be presented at public hearings . . ."

The petition declares need for thorough investigation of the "continued increase in operational costs in view of past representations by Blue Cross-Blue Shield that operational costs would be reduced." A question is raised regarding purchase of a Blue Cross building housing the Detroit headquarters offices. This acquisition, it was claimed, would reduce costs but, in fact, according to the petition, has increased them. It is further maintained that it is "unreasonable" to make medical and hospital "insurance" pay for nurses', interns' and resident doctors' training, "part of an educational program no policyholder should be asked to subsidize."

The physicians' fee schedule is declared to be "exorbitant," and it is charged that there have been "shady

## Hooper-Holmes Names King V-P, Director

Hooper-Holmes has elected Frederick D. King a vice-president and director. Mr. King joined Hooper-Holmes in 1949 at New York as an inspector. He has served at field offices in Greensboro, Providence, Hartford, and Birmingham. He was transferred to the executive offices in Morristown, N.J., in 1958.

## Jefferson Standard Offers 'Selection Incentive' Plan To Reinsurance Customers

Jefferson Standard Life has begun offering what it calls a "selection incentive" reinsurance plan to eligible companies.

The two-year plan provides for the reimbursement of medical examination fees incurred by clients for any case on which the ceding company reinsures with Jefferson Standard at least as much as it retains. Heretofore, the plan has been offered only to companies in selected areas, on an experimental basis.

The plan is designed to aid smaller companies in their early years of growth and is restricted to companies that have less than \$50 million of life in force or are less than five years old.

According to President Howard Holderness, the plan has proved valuable in the past in encouraging clients to make prudent use of non-medical rules and is expected to improve the quality of risk selection.

## Group Sales Leaders Of New York Life Are Named

John E. Dunlavey, manager of New York Life's group agency at Washington, D.C., has been named the company's group manager for 1960.

Other group production awards went to Jack T. Hunn, Des Moines, leading home office group representative in number of cases written; Rodman U. Smith, downtown New York group agency, leader among home office group representatives in new premiums and in life volume; downtown New York group agency, H. Roy Johnson, manager, leading agency in premiums and group life volume; Phoenix group agency, Richard Koors, manager, agency leader in number of cases in excess of allotment, and San Francisco group agency, Robert Monahan, manager, agency leader in new cases.

practices" on the part of physicians who have rendered bills for services they did not provide patients. An "open examination" of fees paid over the past three years to the 200 doctors who drew the largest amounts from Blue Shield also is demanded.

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## N. Y. City Agents Meet Draws 800

(CONTINUED FROM PAGE 4)

Lynch said that there was a field that very few companies are exploring today. A survey of his own company's ordinary policies in force revealed that less than 5% of the male insured were over 45.

Mr. Utz carried the inspirational ball in the morning half of the program, with a speech that was meant more to stir up the assemblage than to educate it. A speech by Mr. Utz is a study in perpetual motion, a fact which suggests why, when a show of hands was requested, he was the only agent in the room who could lay claim to having more than 2,000 policyholders on his books.

Although his home base, Valencia, Pa., has a population of only 246 people, Mr. Utz wrote almost \$2 million worth of business in 1960 on some 250 lives, has been a million-plus producer for seven consecutive years and is a qualifying and life member of Million Dollar Round Table. He said he has accomplished all this by being a general practitioner in life insurance sales. He makes it a rule to obtain at least three new prospects every day, big or small.

### Sums Up Advice

Summing up his advice in this area, Mr. Utz said, "Don't pass up the small cases. Write the little ones, and the big ones will come by themselves."

Mr. Taggart kicked off the afternoon session in his well-known chatty, effortless style, exploring what he considers the fundamental prerequisites of the successful agent—enthusiasm, persistence and hard work.

The ability to overcome obstacles is the mark of the superior agent, Mr. Taggart said, and the new agent can best do this by "forgetting the paltry dollar and recalling only the service you are providing."

Mr. Taggart said the story of his life in life insurance could be summed up in a single statement: "I never sold a life insurance policy in my life," but approached his work with the attitude that he was the instrument through which "people might buy life insurance."

Mr. Secord, as mentioned earlier, liberally packs his speeches with

some very original and humorous material, so much so that his listeners are almost unaware that this is a device for getting across the real heart of his message. Despite the fact that, word for word, his humor considerably outweighs his nuggets of information, Mr. Secord always makes his point.

His subject, "How to Tell What You Know," dealt with the problem of communications, telling the other fellow, the client, what it is you have on your mind in a way that he will understand it.

To begin with, Mr. Secord advised, always speak the other fellow's language. Then, use examples liberally.

"Until you give me an example, I have no idea what you're talking about," Mr. Secord stated.

In other words, not only does an agent concerned with sales have to speak the other fellow's language, but he must relate what he is talking about to the client's frame of reference, and he can do this best with the properly chosen examples.

Rule three, Mr. Secord said, is to remember that "Without courtesy and tact, you can never hope to sell anybody anything."

A man has arrived as a salesman, Mr. Secord said, when people who deal with him or his agency stop talking about price and think of him in terms of the better service he provides.

Mr. McDonald discussed the lawyer-insurance agent relationship in estate planning, emphasizing the need for greater collaboration between the two.

"Neither can do an effective job for his client without consulting the other. This is particularly evident in the areas of estate planning and deferred compensation. In my opinion, neither the bar nor the insurance community has recognized the great potential advantages to be derived by both from mutual effort," he said.

## AMA, AHA, Blues Form Commission To Promote Prepayment A&S Plans

A new commission with the stated purpose of promoting prepayment health plans such as Blue Cross and Blue Shield has been organized jointly by American Medical Assn., American Hospital Assn., Blue Cross Assn. and National Assn. of Blue Cross Plans.

Known as the Joint Commission for the Promotion of Voluntary Non-Profit Prepayment Health Plans, the group would seem to be a natural outgrowth of an AMA house of delegates resolution adopted at a meeting in Washington last December, in which AMA assumed leadership in consolidating its efforts with those of the AHA and the national Blues "into maximum development of the voluntary non-profit prepayment concept to provide health care for the American people."

Dr. James Z. Appel of Lancaster, Pa., representing AMA, was named chairman of the commission for one year at a recent organizational meeting in Chicago. AMA will provide the staff for the commission during Dr. Appel's term. Next year the chairmanship will be assumed by one of the other participating organizations.

Recipients of the top awards of Gleaner Life are A. L. Buck, Freeland, Mich., manager of the year; Eugene G. Jellison, Ithaca, Mich., man of the year; William H. Sabo, Clio, Mich., runner-up top producer; Russell L. Buck, Freeland, outstanding first year man; and William F. Kleinhans, Mount Pleasant, Mich., persistency.

## Conn. General Life Makes Two Changes

(CONTINUED FROM PAGE 1)

and secretary in the accident department in charge of individual A&S insurance.

In 1958 Mr. Roberts was appointed 2nd vice-president with broadened responsibilities that included the planning and electronic data processing departments. A year ago he was elected executive vice-president and a director. In 1957 he served as chairman of a special committee that planned a program of events in conjunction with the opening of the new home office.

Mr. Roberts has served as chairman of the individual insurance committee of Health Insurance Assn. of America and did committee work for the former Bureau of A&H Underwriters. He is a trustee of Connecticut Public Expenditure Council, a corporator of Hartford Hospital and a director of Waterville Road Realty Corp. of Farmington, Conn. He is a fellow of Society of Actuaries.

Mr. Wilde's presidency coincided

with a tenfold increase in company size, about twice the rate for the life insurance industry during the period. Figures on the company's growth during that time were presented at the stockholders meeting by Lucius F. Robinson Jr., a director.

### Past President Of LIA, ALC

Mr. Wilde is a past president of Life Insurance Assn. of America and of American Life Convention. He was a founder and the first chairman of Institute of Life Insurance. He is a recognized authority on monetary and financial matters. Since 1958 he has been chairman of the commission on money and credit, which is undertaking the first thorough survey of United States public and private monetary and financial policies and institutions since the work of the Aldrich commission in 1908-11. He is a member and former vice-chairman of the Committee on Economic Development and a member and former chairman of its research and policy committee.

Mr. Wilde has been with Connecticut General since 1914, except for military service on the Mexican border and in France in World War I.

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Personal producing General Agents tell us that their business has expanded under our SUN LIFE Plan. They tell us that we not only have a range of policies that is superior but that they also benefit consistently from our prompt individualized home office cooperation. Our sales promotion programs are devised for the General Agent's particular needs based on his own local conditions.

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Write today or just pin this page to your letterhead for a prompt reply. Your inquiry held in confidence.

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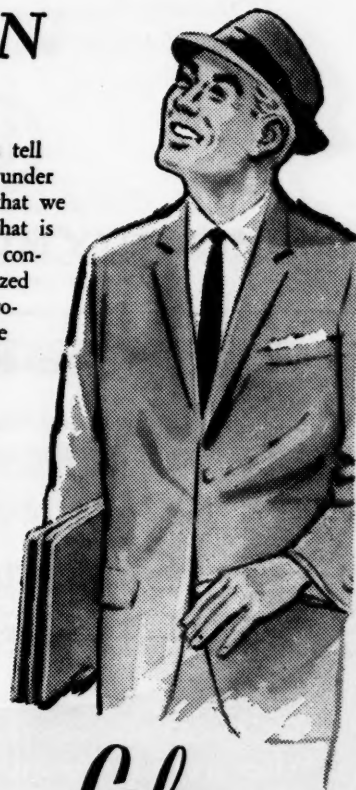


*Sun Life*

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After giving his speech at the sales congress of New York City Life Underwriters Assn., William E. North, president of NALU, left, is presented with a history of New York's city hall. Making the presentation is Morgan Sheahan, deputy commissioner of the city's department of commerce and special events. Mr. North is also manager of New York Life at Evanston, Ill.



## LIAMA Spring Meeting At Chicago Is Busy One

(CONTINUED FROM PAGE 1)

having a choice of 39 policies.

"Human relations in management remains one of the prime problem areas of management and its importance continues to grow," Mr. Rogers said. He pointed out that the companies give their agents effective tools and teach the agents how to use them.

"But our agent may need something we are not giving him," he suggested,

"and I am not sure how much of this need we should attempt to satisfy. I am referring to the agent's need for our understanding of him, his job, and what he wants out of life.

"Every agent is a distinct human personality and each is different from the other, just as each of us is different from the other. But every good man wants to be recognized." He suggested that companies must work harder at

At the LIAMA Chicago meeting. From left: Brice F. McEuen, vice-president and agency director Lamar Life, a member of the Agency Management Conference committee and sergeant-at-arms of the conference; Warren M. Pace, senior vice-president Life of Virginia, who was elected to the committee for a three-year term, and Wylie Craig, vice-president agency department, Georgia International Life, who was one of the speakers.



genuinely appreciating and recognizing the man who has made a career of the insurance business.

Mr. Rogers pointed out that when polio and flu epidemics threatened, companies provided their home office employees with precautionary shots. He suggested that concern for the mental welfare of their employees should be just as great, if not a greater matter than concern for physical welfare. He said that often the impact of emotional disturbances on business is det-

attention of agency officers. He mentioned population shift, economic fluctuation, increased discretionary income and the manpower shortage. "Our number and rate of failures in our field forces," he said, "continues to be one of the major financial drains on our companies."

### Dumas Is Moderator

Paul Dumas, director of agencies Alliance Mutual Life, was moderator at the workshop session on "the first 50



At the LIAMA agency management conference in Chicago. From left: Lewis W. S. Chapman, director of company relations of LIAMA; Mrs. Byon M. Morris; Mr. Morris, vice-president, ordinary division, Gulf Life, and Roger H. Lambright, field supervisor Standard Life of Jackson, Miss.

perimental and that perhaps the companies should be prepared to have counselors work with the agency staffs to help companies to keep their good men.

Principles in the business are pretty much the same today as they have been, according to Mr. Rogers, but the problems are continually changing. The urgency today is focused on the means of attaining an objective rather than on the objective itself. Companies were founded on the principle of pooling an uncertain risk and substituting a known risk, and this principle remains. The objectives of providing needed protection at reasonable cost remains unchanged.

"But today," the speaker said, "the problems of life insurance sales management are infinitely more complex and urgent than in the past. The element of time, the quicker tempo, the more immediate and effective results that we achieve and will achieve force us to recognize our problems sooner than ever, to take action quicker than ever, and often to take action with more forcefulness than ever."

Mr. Rogers identified some of the major problems demanding the closest

million." The participants told of the plans and methods by which their companies expect to reach this amount.

Jack E. Neff Jr., agency vice-president Austin Life of Texas, said his company is following a conservative approach. The first method assayed was through agents and brokers. He opined, however, that unless a company features an "unusually high commission" or a special policy, this type of business is difficult to acquire.

The next move was to a personal producing general agency type of contract. But here it was found that the supervision required from a one-man

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of 1962. Th striving ea force over the previou the compan Several to gain the \$50 Million tion being first of this obtain and change in agents has agent rece ordinary li If the busi



## FIELD SUPPORT THAT MEANS SOMETHING

Fidelity Mutual operates on the belief that progress is dependent on the welfare and success of every Agent and General Agent.

Our trained staff of field-experienced counselors helps achieve this welfare and success. Each member of our 70 agencies has frequent opportunity to tap the experience of these traveling envoys — to confer on his efforts, aspirations, successes — and frustrations.

This kind of support explains, in part, the high morale of our field force and the outstanding job it is doing in life underwriting.



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Howard W. Kraft (left), vice-president, and director of agencies Ohio State Life, who participated in the workshop on manpower at the LIAMA Chicago meeting, and Edgar S. Westcott, 2nd vice-president (A&S), Bankers Life of Nebraska.

home office training staff (Mr. Neff) was not feasible. The company, therefore, established a manpower-building general agency plan.

These general agents first receive a basic orientation course, after which they spend four weeks in the field. They are then sent to Southern Methodist Institute for an intensive one-week course. Also employed are LIAMA's two-week school, as well as the LUTC program.

In 1957, Austin Life set a definite goal of \$50 million in force by March



At the Chicago spring meeting of LIAMA, Frank W. Frensky, life agency vice-president, and Jack Walker, both of Globe L&A. Mr. Walker is wearing the apron given to first time attendees at the meeting. New men are requested to secure signatures of as many of the convention attendees on the aprons as possible—a means for them to meet new people.

this amount is charged back to the agency development account. If it stays in force for 13 months, however, an extra dollar per thousand is added.

#### Working For Lower Costs

As to costs, Mr. Neff said the company is working towards a field cost of \$6 per thousand. Last year the cost was \$7.82, he said, and slightly higher in the newer manpower agencies. (These figures include no home office administration costs.)

Norman J. Harrison Jr., agency vice-

declared. This is not to say that the company specializes in its salary savings plan, however.

The company operates on a personal producing general agent basis, having tried the general agency system to a limited degree but "found it quite expensive for us," he noted. The producing general agents are given a definite program to follow and are not permitted to hire other agents at the onset. This they may do later after proving themselves financially able.

Wind-up speaker before the workshop discussion period was G. Law-

rence Diacono, superintendent of life agencies in Canada of Commercial Union group. Life operations are expected to begin about the first of April. This will be more in the nature of reopening, he said, since Commercial Union had sold life insurance in Canada until about 1929, when this operation was closed.

Noting that the group writes fire and casualty premiums of \$154 million yearly in the U.S. and about a third of that amount in Canada, the speaker observed that it would seem a natural source to have the present agents

## LIFE GENERAL AGENT OPPORTUNITY for CAREER

agents and general agents who meet the following requirements:

- ★ Self starting and a desire to run your own business.
- ★ Aggressive, ambitious and with good references.
- ★ Over 27 years of age.
- ★ Personal or agency Life production of over \$500,000 in 1960.
- ★ No previous management experience necessary but helpful.

## Central Standard's New Expansion Program brings to you:

- Experience and prestige of a sound company founded in 1905.
- Agency minded company.
- Top agents and General agents commission.
- New audio-visual program.
- New, modern, well merchandised policies.
- Complete line of Health Insurance.
- Life (of policy) vested renewals.
- Ideas, flexibility, service, competitiveness and quality.

Contact: HAROLD E. STOUT

Vice President and Director of Agencies

## CENTRAL STANDARD LIFE

Founded 1905 INSURANCE COMPANY

211 W. Wacker Drive Chicago 6, Illinois

CARL A. TIFFANY, President

## RENEWAL COMMISSION

# LOANS

Loans are prompt, efficient, and confidential. Our company is the outstanding organization specializing in direct loans to life insurance underwriters.



Nation-Wide Financial Service for Life Insurance Representatives

## LIFE UNDERWRITERS SERVICE CORPORATION

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Please send me further information, at no obligation. ☐ Gen. Agt. ☐ Agent

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

Now in  
Our 6th  
Year of  
Operation

## ACTUARIES

### DONALD F. CAMPBELL

Consulting Actuary  
Suite 2011

139 N. Clark St. Chicago 2, Ill.

of 1962. This is being accomplished by striving each year for a 20% gain in force over the in-force figure from the previous year. At the end of 1960, the company had \$44 million in force. Several methods are being employed to gain the desired goal, one being a \$50 Million production club, qualification being sales of \$500,000 from the first of this year to March 31, 1962. To obtain and retain quality business, a change in compensation of the general agents has been made. The general agent receives \$5 per thousand for ordinary life or better and \$2 for term. If the business lapses in the first year,

American Heritage Life of Jacksonville, Fla., said that when the company was formed four years ago it was noted that lack of proper financing and trying to develop first in the state of domicile and those adjacent to it were the two major problems of some of the other new companies in the area. As a result, growth has not been one of their outstanding characteristics.

American Heritage decided, therefore, to establish its operations in large metropolitan areas countrywide. It was thus possible to obtain an impressive board of directors and the first stock issue was sold quickly, he said, and today the net worth of the company is \$11 million, with total liabilities of \$8½ million. Net profit at the end of the third year was \$260,000.

To attract highly qualified agents, Mr. Harrison said it was felt that in addition to its regular line of contracts something extra was needed. To this end the company devised a payroll savings plan which is one of the most competitive in the business, a number of really big accounts have been secured as proof of the pudding, he

At the LIAMA spring meeting in Chicago: From left: Bernard S. Lyon, regional agency vice-president Pan-American Life, a member of the committee and moderator of the panel on methods of distribution at the conference; Burkett W. Huey, LIAMA managing director, who also addressed the meeting, and Ben F. Hadley, vice-president and director of agency administration Columbus Mutual who spoke at the closing session.



of 1962. This is being accomplished by striving each year for a 20% gain in force over the in-force figure from the previous year. At the end of 1960, the company had \$44 million in force. Several methods are being employed to gain the desired goal, one being a \$50 Million production club, qualification being sales of \$500,000 from the first of this year to March 31, 1962. To obtain and retain quality business, a change in compensation of the general agents has been made. The general agent receives \$5 per thousand for ordinary life or better and \$2 for term. If the business lapses in the first year,

## WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.  
THE NATIONAL UNDERWRITER—LIFE EDITION

### THE POSITION

Preparation and promotion of advanced underwriting material, especially business insurance and estate analysis, for highly skilled and experienced sales organization.

### THE REQUIREMENTS

Applicant should have LLB degree. Also the Chartered Life Underwriter designation (or the interest and ability to earn it). His writing must be imaginative and lucid. A knowledge of tax laws pertaining to life insurance for individuals and business firms is necessary.

### THE OPPORTUNITY

Excellent starting salary, the best in employee benefits, ideal working conditions, and a chance to develop a real career in this most fascinating, rewarding area of life insurance promotion.

Please address your letter of interest, along with a detailed background, both educational and business, to:

Personnel Department

### THE UNION CENTRAL LIFE INSURANCE COMPANY

Cincinnati

### LIFE UNDERWRITER FLORIDA

One of the South's most progressive Life Companies writing a complete line of Ordinary, Health and Accident offers an excellent opportunity for a qualified and experienced underwriter to work with and assist general Fire & Casualty insurance agents in developing life business. If you have wanted to move to Florida, capable of supervising and working with established agents, have a good record of personal production, want to be a part of a well established and growing company THIS IS YOUR CHANCE. Write X-5, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois, giving name, address, age, experience and references. All replies will be kept in confidence.

### CONSULTANTS NEEDED

National employee benefit consulting firm needs young men for its staff in 6 major cities. Prefer college graduates with 2 to 5 years' experience in pensions or group insurance. Law or mathematics background desirable.

Work requires intelligence, maturity, and ability to work under pressure. Unlimited opportunity for growth to young men capable of assuming major responsibilities. Reply to X-9, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED CLAIMS DIRECTOR

Preferably under age 40. Must have field inspection experience, both in handling of new business and of claims. Should also have administrative experience in supervising others. College degrees or special educational background not essential provided successful experience in present connection. Write in confidence to R. A. Frederick, Administrative Vice President, THE FRANKLIN LIFE INSURANCE COMPANY Springfield, Illinois

### INSURANCE COMPANY FOR SALE

The entire issued and outstanding shares of 20 year old Eastern Industrial life insurance company can be acquired. Chartered to write a complete line of competitive life, accident, sickness and hospital insurance. Present debit approximately \$4,000 per week. Would prefer to deal with principals only. Write to W-93, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Immediate opening for man experienced in sound home office underwriting of loss of time, hospitalization, major medical coverages. Experience processing claims also desirable. Man selected will assist in establishing Health Insurance policies, procedures for Los Angeles area company now entering Health Insurance field.

Fine opportunity to join an aggressive organization. Please send resume covering your Health Insurance experience, education, salary requirements to W-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### GROUP SALES OPPORTUNITY

Unusual opportunity in Chicago (Salaried position) for a young man under 35 with at least two years group sales experience to get in on the ground floor of a well established Life insurance company. This company is a subsidiary of a well known national industrial concern having unlimited contacts and prestige. If you feel you can sell and grow with our group department, write giving complete resume and present earnings. Write X-14, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### SUPERVISOR OF AGENCIES

with proven ability to recruit and train men. Desire man under 45 with good educational background, preferably C.L.U. Salaried position.

Relocate, make your home in Arizona. It's a fine place to raise a family and you can prosper with the growing West.

Geo. E. Richardson, President, The HBA Life Insurance Company, First Street at Willetta, phone ALpine 8-4888, Phoenix, Arizona.

### COMMUNICATION SPECIALIST AVAILABLE IMMEDIATELY

Ten years experience successfully solving company problems in communication, advertising, and policyholder relations. Outstanding record of proven results. Will augment present staff, organize complete department, or operate one-man shop. Broad background includes fire, casualty, surety, A&H, plus life and group. Age 37, presently in Hartford but willing to relocate. For complete resume write: X-4, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### SALES DIRECTOR WANTED

Well established Twin City Life, H & A company expanding Sales Department and present tri-state territory. Experienced aggressive Director of Sales desired. Salary open plus unlimited incentive bonus.

Require experience in recruiting, training and supervision to increase present sales organization. Age to 45. Give full particulars to: X-17, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### ASSISTANT ACTUARY WANTED

Rapidly growing Colorado Life and Accident and Health Company has challenging opportunity for Assistant Actuary, Life Division. Position includes work with IBM 650. Salary open. Reply in confidence to W-92, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

solicit life insurance. It is felt, however, that the two types of business require different selling philosophies, he said. Life agents will, therefore, be recruited.

Mr. Diacono—who all during his talk had been interspersing wry bits of humor to the complete delight of his audience—was even able to draw a general chuckle when he told where he is going to obtain his agents. Simply proselytizing. His intent is to "borrow some of the men from the fine Canadian companies to build up a good basic field force."

"What can we give?" he asked. "Money in the form of a contract which offers commission slightly higher than the competitors," he answered himself. The "Career Contract" will pay 62½% first year commission and up to an \$8 override, he said. The "Trainee Contract" pays 65% and a \$2 per thousand development plan, and the general agent contract pays 75% and \$5 per thousand.

Some new companies become a little impatient and short on funds after about two years of financing green men, he said. His operation will be on a three-year basis.

Mr. Diacono admonished his audience never to break promises. In his recruiting he has found that a surprising percentage of the men who come to him are hurt or rankling over broken promises, he declared. No matter how large the new life operation grows and to what heights he may rise, Mr. Diacono is going to know what the people under him have promised others, he vowed. "I will never sit on a bunch of broken promises."

### Tenn. Legislature Blocks L&C. Gulf Marriage

(CONTINUED FROM PAGE 1)

would require approval of directors and 51% of stockholders of both companies. It is understood that it is considerably more difficult to accomplish a union in this manner.

The Murchison brothers of Dallas, who own working control of Life & Casualty, purchased 16% of Gulf in 1959 for \$15 million, with the agreement that Life & Casualty would buy the stock "without either profit or loss" to the Brothers Murchison. Life & Casualty was willing to pay a premium of approximately \$34 a share for the Gulf stock, although the market price when the Murchisons bought it was about \$27, Mr. Dudley told stockholders at the annual meeting.

The stock purchase plan is now inoperable with the failure of legislation.

FOR RENT on approximately October 1, 1961, 60,000 square feet of air-conditioned office space in beautiful Golf-Mill Shopping Center in Niles, Illinois. Ten thousand square feet of this area is on the first floor and fifty thousand is on the second floor. Space will be divided and finished to suit tenant's requirements. Anyone interested in renting all, or a substantial part, of this space please address communication to Albert A. Yort, 474 Golf-Mill Shopping Center, Niles 48, Illinois, or phone: CYpress 6-3351.

### EXCELLENT MANAGEMENT OPPORTUNITY

Growing General Agency of old line New England Company located in Pittsfield, Mass., in famous Berkshire Hills, has opening for qualified supervisor. Top opportunity, ideal living conditions. Starting salary \$5,000 plus bonus. Write in confidence to X-2, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### TRUCK PHYSICAL DAMAGE PRODUCERS

wanted for states of Florida, Ks., Ind., Ia., Mo., S.D. and states allowing surplus lines. Write X-12, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## Editorial On Stock Buyer As Insurer Of Own Risk Reprinted

The concept that a stockholder can't escape being a self-insurer of the uninsurable risk that his stock will decline in value is developed in a leaflet just issued by the Diamond Life Bulletins department of the National Underwriter Co. It is titled "Should You Underwrite an Uninsurable Risk?"

The leaflet is an adaptation of an editorial in THE NATIONAL UNDERWRITER of Jan. 14 by Executive Editor Robert B. Mitchell. The editorial was reprinted by a number of life companies for the use of their field forces to help overcome the buy-term-and-invest-the-difference objection.

In the leaflet, the editorial has been revised to beam it more directly at the policyholder and to eliminate technical insurance terms that a non-insurance reader would not be likely to understand. It is printed in convenient mailing size for use as a premium notice enclosure, as an agent's general mailing piece, or for use in an interview. The back is left blank, for imprinting. Prices are as follows:

No. Copies	With Four Line Imprint	Without Imprint
\$ 100	\$ 8.00	\$ 3.50
200	11.25	9.00
300	14.25	11.00
400	16.50	13.00
500	18.50	15.00
1,000	30.00	23.00
5,000	100.00	(Same Prices as with Imprint for 5,000 copies and over)
10,000	180.00	
25,000	425.00	
50,000	800.00	
75,000	1,125.00	
100,000	1,400.00	

Inquire for special quotations for more than 100,000 copies.

## Franklin Life Turns To Telephone In Campaign To Build Up Optimism

Franklin Life has undergone a week-long telephone calling campaign to build economic optimism in its ranks and to promote its "wife insurance" program. Some 5,000 long distance calls were made.

Two weeks ago, eight of Franklin Life's top executives called the company's 75 regional managers. These managers operate territories throughout the United States and Puerto Rico. The executives discussed the nation's current pessimistic view of the economy and showed the seldom mentioned "good side" of the country's economic health. For example, they acknowledged the widespread unemployment problem, but established the fact that more people than ever before are working today.

The regional managers were asked to contact by telephone each of their general agents, numbering about 350, with the same message of economic optimism. The general agents, in turn, were to contact the company's 3,000 sales representatives. Stress was on sales to wives—a plus market. A single call of encouragement was not considered enough. Instead, the calls were repeated daily for a week; each day's results being discussed and new encouragement given.

"There were no adverse reactions to the program, and there was a great deal of enthusiasm generated," Charles Becker, president, stated. "Pessimism is a luxury no salesman can permit himself. Pessimism does nothing for the country, but we've proven optimism applied with action can strengthen a single facet of the economy and thereby improve America's strength."

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DIRECT

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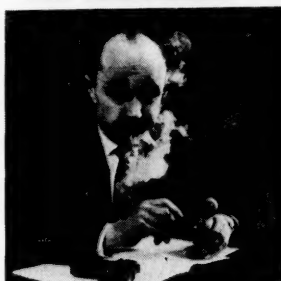
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# Prospects you have known

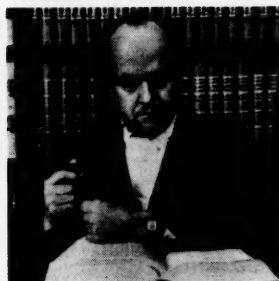
(And Some You Would Like To Forget)

MR. BELLIGERENT

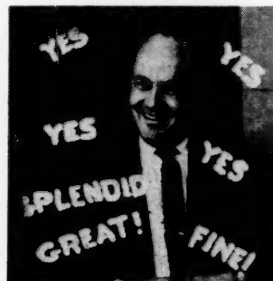


"Did you say LIFE INSURANCE!"

GREAT SILENT TYPE

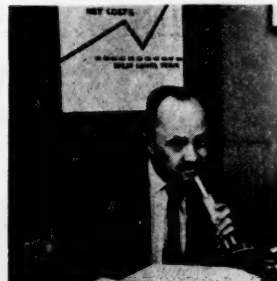


SOFT SOAPER



("But not today")

BARGAIN HUNTER



"Your 10th year value looks a little soft."

These pictures, which appear in the current Pilot's Log, field publication of New England Life, struck The National Underwriter's staff as something that should be shared with their readers. The photos are reprinted by permission.

DIRECT MAIL PROSPECT



"All I wanted was the memo book with my name in gold."

THE WIFE



"Clem talked it over with me, and . . ."

THE BUSY MAN



"Yes, yes, speak up! What is it?"

HARD TO CATCH



"Eustis won't be back till midnight."

ONCE IN A BLUE MOON



"Come in. How much does \$100,000 Ordinary cost?"

In spite of the usual disclaimer, many agents will recognize resemblances to prospects, living and/or dead, in the above exhibit. All nine prospects are the same man—Vernon Jewett, New England Life's supervisor of conventions. Staging the project was Warren Bacon, assistant sales promotion manager. Behind the camera was Rollin Bailey, company photographer. Alan Beck, editor

of the Pilot's Log, thought up the idea and the different types of prospects and wrote the captions. Blame for the lettering job on the picture of the Soft Soaper falls on Executive Editor Robert B. Mitchell of The National Underwriter, who was unable to figure out how to reproduce the reverse-plate procedure that resulted in a much neater effect in the Pilot's Log version.

## Companies Favor 3, Oppose 2 Pending OASDI Amendments

(CONTINUED FROM PAGE 1)  
we urge that adequate tax increases become effective no later than Jan. 1, 1962, to provide for these additional benefits.

"We feel strongly that the financing of these benefit liberalizations should be in the form of an increase in the tax rate as proposed in HR 4571 rather than through an increase in the wage base. The financing of new benefits for all individuals under the system should not be charged entirely to those who have higher-than-average incomes, nor should the OASDI benefits of this latter class of individuals be increased at this time as would be the case if the wage base were increased. We submit that there should be no change in the wage base without full hearings as to all of the presently prevailing social and economic considerations.

"We urge that proposals to permit men to retire at age 62 and to liberalize the definition of disability not be enacted.

"The trend in industry is to extend the working years. This is in the public interest and is necessary in achiev-

ing an expanding and dynamic economy. Therefore, encouragement to prematurely withdraw workers from the labor force should be avoided.

"Provision for early retirement at this time would expose the OASDI system to a utilization for which it was never intended—as a supplement to unemployment compensation.

"If the definition of disability is liberalized to include conditions less than permanent in duration, current circumstances may stimulate over-utilization and resistance to rehabilitation. Even with careful selection of risks, our experience indicates that in periods of economic recession there would be a sharp increase in the claim rate to the extent that the tax increase proposed would prove inadequate.

"The recognition of temporary disability would place the OASDI system in direct competition with private insurance where a major portion of income protection coverage attaches with the onset of the disability and extends beyond six months. If this amendment is approved, it would discourage further expansion of private insurance in this area."

### Judge OKs Domestic Life Sale

The attempt of a minority of stockholders of Domestic Life & Accident of

Louisville to block the sale of that company to Kentucky Central L.&A. has failed. Nine out of about 600 Domestic stockholders filed the suit, contending that better offers had been made for the stock. Circuit Judge Smith dismissed the suit, ruling that the complaint the directors knew of better offers before the agreement with Kentucky Central last Oct. 19 was "fatally contradicted" by exhibits filed in the case.

### Jordan Agency, Chicago, Is Mass.

**Mutual Group Production Leader**  
Massachusetts Mutual's Jordan agency at Chicago led the company's agencies in group life, health and pension production during 1960. The Jordan agency placed a total of \$33.3 million of new group business during the past year, compared with \$13.6 million in 1959. Ordinary business amounted to \$31.8 million, third highest in the company.

### Agents Write \$500,000 In Day

Agents of Group Health Mutual of St. Paul wrote \$500,000 of life business Feb. 20 in honor of General Manager Arnold H. Lindquist's 22nd anniversary with the organization. Dale Peterson, New London, was the leading producer.

## \$2.3 Billion In Group Life Coverage Added To Travelers RR Case

Travelers has signed contracts providing more than \$2.3 billion of group life insurance for 575,000 non-operating employees of American railroads.

According to J. Doyle DeWitt, president, in a statement to stockholders, under the new agreement, which is an addition to the railroad's health and welfare plan that has been administered by Travelers since its inception in 1955, each employee of some 300 U.S. railroads receives \$4,000 of group life with conversion privileges. Hospital, surgical and medical benefits for dependents have also been raised to the same level as those for employees, except for home and office visits by physicians.

Estimated premiums for the entire health and welfare plan, including the new life coverage, total more than \$130 million annually.

In announcing the new program to union members, a union spokesman said the plan is the largest single private group policy in America.

Including dependents, more than two million people are covered under hospital, surgical and medical benefits.

## Tells How Uninsurable Client Was Helped

(CONTINUED FROM PAGE 6)

from all the annuities thus purchased in previous years will be used to augment the amount being invested in that year's new annuity. (Incidentally, this idea of pyramiding annuities will stand up against just about any program of investing for growth, followed by income, that can be found.)

### Basis Of Paid-Up Plus Income

But where did I get that idea about paid-up insurance and income?

There are some companies that write

a contract that sounds silly when first described. Regardless of insurability, for \$1,100 they will provide \$1,000 of life insurance and pay a life annuity based on the age at issue of insured. By using the pure endowment at age 65 to purchase such a contract, the result can be a combination of paid-up insurance, life annuity, and life annuity with guaranteed cash refund for Mr. Uninsurable Jones.

What about taxes, you ask. Doesn't Mr. Jones have to pay a tax on some of the income those immediate annuities will produce each year until he retires? Certainly. The tax rules apply to that income. But let's not forget that Mr. Jones originally wanted to voluntarily decrease his net spendable income to increase his estate with additional life insurance. This program will result in an increase in his estate, with only the very slight decrease in his spendable income caused by a very slight increase in taxes (in place of a much larger increase in premium outlay). Let's be realistic about things like that: There are no gains without pains. Something better always costs more.

### May Suggest Mutual Funds

Suppose you show this idea to another client and he says, "Swell, I'll use the premiums released to buy mutual funds or stocks." If you're afraid of this, don't show it. You can lose to that kind of competition if you're afraid of it, but it is hard to lose if you have confidence in your own product.

There is only one real difference between the life insurance salesman and the regular mutual fund salesman: A mutual fund salesman can tell you only what *has* happened, and hope his customer will believe it will happen again; a life insurance salesman can tell you what *will* happen, and if he's been in the business very long he knows there is no easy road to riches. (The people who told me when I started in the business 12 years ago that they could do better with their money in things other than life insurance haven't done it.)

### Clients Show Appreciation

Finally, let me say that labor is worth its hire. Show this idea to an uninsurable man, and if you are genuinely motivated to help him improve the lot of his family after his death, he'll know it. Competition from other forms of investment should not then be a problem.

In many cases, there may well be a smaller premium outlay and smaller insurance in force than was the case with Mr. Jones. In such cases, consider the idea presented here in a general

way. Basically, all that is suggested is that cash to provide future income, if the insured lives, be built up outside the present contracts of life insurance, and this is possible if the extended term value is more than adequate to continue the originally planned job of family protection.

The \$1,238.50 annual premium could have been put into an annual premium retirement annuity contract. The end result would have been a not-too-different increasing death benefit, and a retirement monthly income at age 65 of approximately \$240.

## Questions And Answers To 1960 CLU Management Exam Available For First Time

For the first time, candidates in the management education program of American College may obtain questions and answers based on the 1960 management education examinations. For a number of years, the college has published this information for candidates in the CLU study program. However, this year the college has prepared examination questions and answers for both management and CLU students.

The book is titled, "1960 Chartered Life Underwriter and Management Questions and Answers." Copies may be purchased at \$1.50 each by writing to the department of educational publications, American College of Life Underwriters, Bryn Mawr, Pa.

## Awards To Conn. General Group And Pension Offices

Four group and pension offices of Connecticut General have been selected as the winners of the company's first superior achievement awards. The winners are the Boston brokerage group office, Allan R. Preble, district manager; the Milwaukee group office, Crofton E. Thorp Jr., group manager; the Pittsburgh group pension office, Norman S. Ashworth, district group pension manager; and the San Francisco district group office, Marvin S. Loewith, district group manager.

## Edwards Goes In For North As Weather Changes Lineup

Cleo F. Edwards, Central Life of Des Moines, Cedar Rapids, was the unscheduled speaker at the February meeting of Cedar Rapids Life Underwriters Assn. when inclement weather kept NALU President William North's plane from landing. Mr. Edwards, a past president of the local association, improvised a talk on successful selling.

## D. C. Unit's Directors Back Thelma Davenport For Trustee of NALU

The directors of District of Columbia Life Underwriters Assn. have voted un-

animously to endorse Thelma Davenport, North-western Mutual, as a candidate for national trustee of NALU in the election that will take place at NALU's annual meeting in Denver next September.

Mrs. Davenport, a life member of Women Leaders Round Table of NALU, has been a Northwestern Mutual agent since 1942 and before that headed the agency service department of the Washington agency for 11 years.

At the local association level, she has been a director and secretary-treasurer of the District of Columbia unit, a member of its committee on relations with other professions, its committee on blood donor program, and for three years—1950, 1956 and 1960—a member of its convention planning committee for the NALU annual meeting.

On the national level, she was chairman of NALU's committee on women underwriters for two years and member of the committee on veterans and servicemen. In 1955, she represented NALU at a U. S. Department of Labor conference on the more effective use of womanpower in the U. S.

Mrs. Davenport was liaison for NALU with the Labor Department's women's bureau that was writing a booklet on career opportunities in life insurance selling. The department will make the book available to school and college counselors and the public later this spring.

Mrs. Davenport has also been a speaker before professional groups in Washington for Institute of Life Insurance, and has co-authored insurance lessons for the security unit of the home management course of the Washington public school system.

## Ariz. Companies' Assn. Reelects Reese President

Assn. of Arizona Insurance Companies has reelected Melvin C. Reese Jr., president. He is president of First National Life of Phoenix. George Reeves, National L.&C., was elected vice-president, and William R. Snyder was reappointed secretary-treasurer and ex-officio member of the board.



Thelma Davenport

# THINK ABOUT 1970



If you are qualified in Life-and-Accident-and-Sickness Insurance and are ready to step up to the General Agent level . . . THINK WHAT YOU CAN BUILD FOR YOURSELF IN THE NEXT 10 YEARS WITH AN OLD LINE LIFE GENERAL AGENCY.

Old Line Life offers solid advantages to such men . . . modern policy contracts, sales aids, liberal commissions, plus financial assistance and the know-how you need to make your step a rewarding one.

Act now, write for full information. The Old Line Life Insurance Company of America, Milwaukee 1, Wisconsin. Dept. N-3

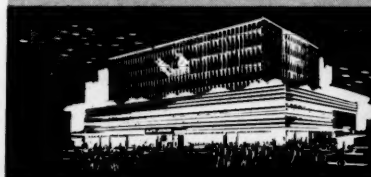
Forrest D. Guynn, Ex. Vice President  
R. J. Kohlruess, Director of Sales

*openings*

IN CALIFORNIA, FLORIDA, ILLINOIS,  
INDIANA, IOWA, MICHIGAN, MINNE-  
SOTA, OHIO, SOUTH DAKOTA,  
WISCONSIN



All  
The  
Leading  
And  
Newest  
Types  
In  
Contracts



**Atlantic Life**  
INSURANCE COMPANY

Established 1900  
HOME OFFICE: RICHMOND, VIRGINIA



## Heath Elected Loyal Protective Senior V-P, Lytle V-P In Claims

Brooks A. Heath, vice-president of Loyal Protective Life since 1948, has



Brooks A. Heath



Charles A. Lytle

been elected senior vice-president, a newly created position. At the same time, Charles A. Lytle, 2nd vice-president, claims, was promoted to claims vice-president.

Mr. Heath joined Loyal Protective in 1932, became secretary shortly thereafter and a director in 1939. He was appointed to the executive committee in 1946.

Mr. Lytle entered the claims department in 1932 and 10 years later became assistant secretary and was transferred to the Canadian head office at Toronto as office manager. He returned to the home office in Boston in 1944.

## 1960 Statements Continue To Show A Good Year

(CONTINUED FROM PAGE 5)  
share rose from \$20.26 to \$32.50. Insurance in force amounted to \$120,131,000, up 18%. During the year, the company became a subsidiary of North Central Co., which acquired 84.23% of North Central Life stock.

### NORTH AMERICAN L. A.&H.

Premium income of North American L. A. & H. increased 8.5% to \$35,538,000 in 1960. Assets rose from \$58,308,000 to \$65,221,000, and capital and surplus increased 24.8% to \$18,306,000. Insurance in force amounted to \$825,080,000, up 22.5%.

### OLD SECURITY LIFE

Premium income of Old Security of Kansas City rose 26% to \$8,564,700 in 1960, and insurance in force climbed \$70 million to \$325,207,300. Capital remained at \$1.5 million, and surplus was increased to \$1,467,800. Assets totaled \$5,059,500.

### PACIFIC FIDELITY

Insurance in force of Pacific Fidelity at the end of 1960 amounted to \$420,128,839, an increase of \$81,738,898. New business amounted to \$99,768,982. Premium income reached a record \$8,171,915, and assets of \$5,980,320 represented a gain of 10.4%.

### SUPREME LIFE, CHICAGO

Supreme Life of Chicago (until just recently Supreme Liberty Life) reports profits for 1960 amounted to \$335,036—a gain of 9.9% over 1959. Assets now stand at \$25,705,083—an increase of 8.7%. The policy reserve is \$20,685,080—an increase of 10.1%. Total investiture in 1,546 mortgage loans (first liens on improved property) is now \$11,157,642—an increase of 13.3% over the previous year. Income from all sources was \$6,437,530—an all time high and a 6.8% increase over 1959.

### UNION MUTUAL LIFE

Union Mutual Life's gain from 1960 operations amounted to \$1,403,796—the largest annual increase in surplus and contingency reserves in the company's history and an amount that puts the total surplus to policyholders at \$10,802,184, or 9.1% of assets. The latter amount to \$119,186,142. Dividends were increased on the average 10%.

Ordinary and group in force rose to \$45,812,690 to reach \$1,064,290,947, a 4.5% gain. Non-can health premiums in force rose 7.3% to reach \$3,441,615. Total income was \$39,533,389. Life premiums totaled \$18,617,121 and A&S premiums \$13,739,165. Benefit payments totaled \$22,160,964.

### UNITED LIFE & ACCIDENT

United Life & Accident assets were \$47,133,977 at the end of 1960, a gain of \$3,306,221, while total capital reached \$3,603,207 on Dec. 31. During the year, earnings before federal income tax and before dividends amounted to \$7.12 per share, as compared to \$5.30 in 1959.

Life insurance in force increased 8.5% to a total of \$445,385,506. Group in force increased 14.2% and health insurance premiums in force gained 29.5%.

### WOODMEN A.&L.

Insurance in force of Woodmen A.&L. at the end of 1960 amounted to \$248,560,000 and new life written and revived totaled \$59,302,000. Assets increased to \$35,659,000, and policyholder benefits totaled \$6,468,876. Health premiums achieved a high of \$10,674,000.

## ACTUARIES A

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### LIFE—HEALTH—PROPERTY

The following pertinent facts from the current Annual Report reflects the activities of Great Southerners during 1960.

ASSETS	INSURANCE IN FORCE
\$226,891,221.00	\$1,076,086,410.00
CAPITAL AND SURPLUS FUND HELD FOR PROTECTION OF POLICYOWNERS	
\$24,122,835.00	

## GREAT SOUTHERN LIFE INSURANCE COMPANY

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HOME OFFICE • HOUSTON, TEXAS

Affiliated Companies

Superior Insurance Company  
Sentinel Indemnity Company



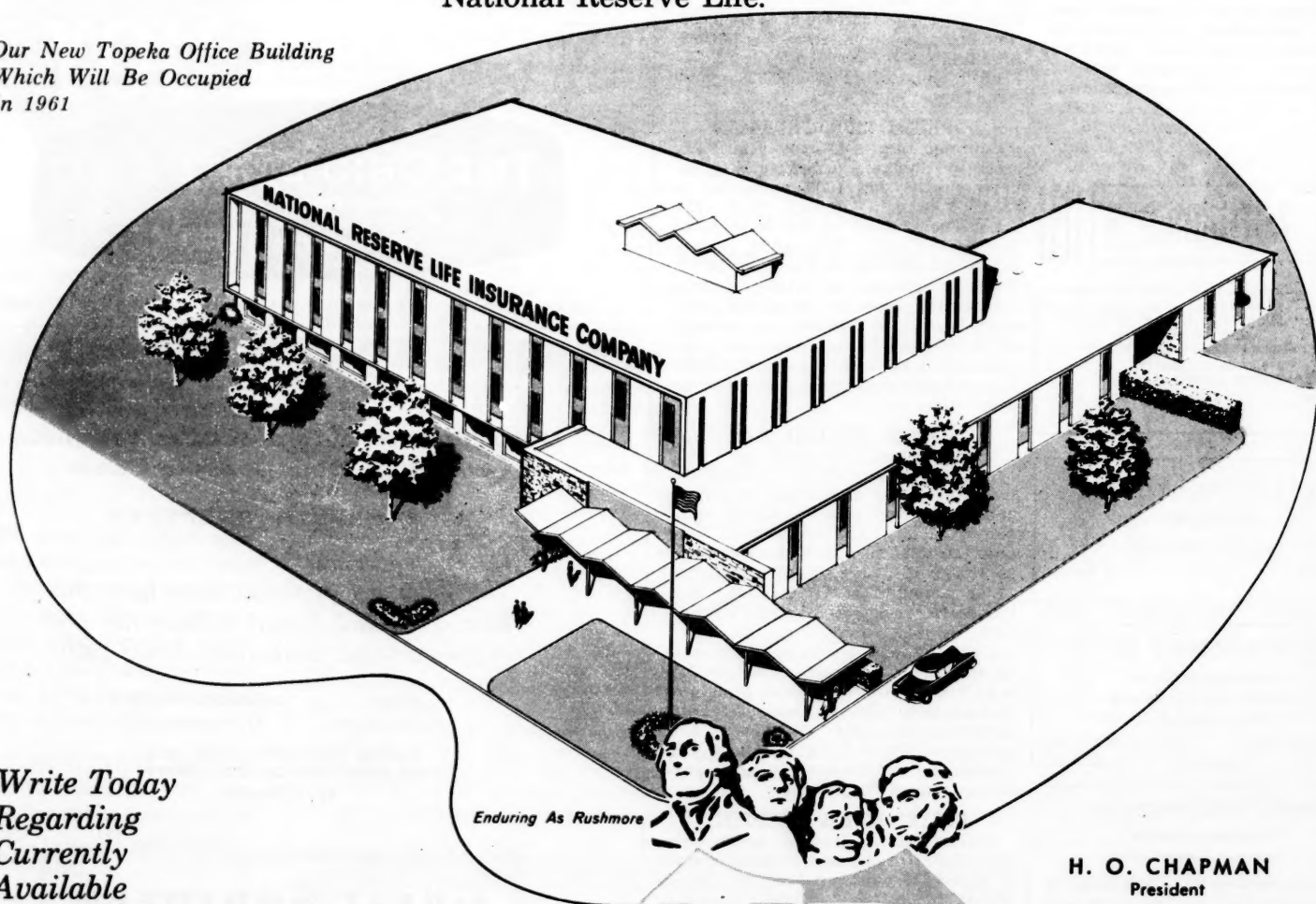
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